2024

Sustainability report

CVC DIF

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01 Introduction

1.1 Welcome from our Managing Partner

Our 2024 sustainability report outlines our unwavering commitment to creating long-term value and growth through responsible, global investment, as well as our performance against this commitment during the 2024 reporting year. As part of the CVC Group and a fund manager specialising in essential mid-market infrastructure, we recognise the critical role that private markets can play in driving economic development and advancing a sustainable future. Our responsible investment strategy helps us deliver attractive risk-adjusted returns while contributing to positive outcomes for people and the places where they live and work.

Gijs Voskuyl Managing Partner

We greatly value the competitive advantage that our talented people bring to us. High performance, paired with modesty and a belief that we can always strive for better, is ingrained in our ethos. We believe that our culture of responsible, sustainable business practices — both in our own operations and as a standard for companies we invest in — encourages our employees to do better every day. It is equally essential for attracting new talent, who increasingly care about sustainability and the opportunity to drive value creation.

In this report, you will find detailed insights into how we integrate sustainability considerations into our investment processes. By following our responsible investment focus areas across each of our sectors, we can support out investments to create, own, and manage infrastructure in accordance with our responsible investment values. We are proud of our solid track record and the positive outcomes we have achieved thus far.

The global economy continues to influence the infrastructure industry, presenting both challenges and opportunities. Our strategy remains resilient and agile, guiding us through these dynamic times. As we continue to navigate the evolving landscape of infrastructure investment, we remain committed to investing responsibly.

I am immensely proud of the dedication and talent of our team at CVC DIF. The substantial progress we have made is a testament to our collective efforts. Together, and as part of the CVC Group, we will continue to reach new heights in 2025 and beyond.

1.2 Reflections from our Head of Sustainability

I joined CVC DIF because I felt a connection to the belief that we earn our social license by shaping better communities and industries for the future. Strengthening the positive environmental and societal outcomes of the infrastructure investments we manage enhances returns for stakeholders.

Lorraine Becker Head of Sustainability

Our responsible investment strategy is fully integrated into our approach to delivering financial value. For CVC DIF, sustainability is a key driver for financial performance because we believe sustainable value creation is optimised when our values and objectives align with those of our stakeholders. We aim to align our investment approach with the values and sustainability commitments of our stakeholders, as this is a key part of the value that we deliver to the investors in the funds that we manage, to the communities where our portfolio companies and projects are located, and to the people involved in delivering essential infrastructure services.

This conviction has supported our success in diverse sectors such as high-speed fibre, where we connect communities to the digital economy, and the solar and battery storage sector, which powers the transition to a lower-carbon future. CVC DIF is committed to supporting the global goal of achieving Net Zero greenhouse gas (GHG) emissions by 2050, in line with the Paris Agreement's objectives. Clear interim targets hold us accountable as we progress toward this ambition: 70% or more of our assets under management (AUM) aligning with Net Zero by 2030 and 100% aligned to Net Zero by 2040.

This year, we have continued to uphold our strong sustainability practices, once again earning a 5-star rating from the United Nations Principles for Responsible Investment (UNPRI). We have conducted our annual refresh of the Responsible Investment Policy, aligning it with the CVC Group Responsible Investment Policy, and closely monitored our portfolio's progress with the Sustainable Engagement Program. Additionally, we have updated our portfolio's climate risk assessment, made steady progress on our decarbonisation efforts, and extended our already comprehensive schedule of sustainability performance reporting by providing additional reporting templates to our investors.

Notably, we have achieved several new milestones, including our acquisition by CVC Group and the completion of the Corporate Sustainability Reporting Directive (CSRD) Double Materiality Assessment. We have also introduced a Responsible Investment Factor Identification Tool (RI FIT) to our responsible investment processes, and co-chaired the ESG Data Convergence Initiative (EDCI) working group on infrastructure.

Thank you to all our stakeholders for your continued support. I trust this report accurately conveys our sustainability performance and effectively demonstrates our ongoing commitment to responsible investment.

1.3 About CVC DIF

As the most recent member of the CVC Group, CVC DIF (formerly DIF Capital Partners) operates as the infrastructure business line of the CVC platform. Named the Mid-Market Investor of the Year and awarded Global Equity Fundraising of the Year[1] at the 2024 Global Infrastructure Investor Awards[2], CVC DIF is a leading global infrastructure mid-market fund manager. Founded in 2005 and headquartered in the Amsterdam area, we now have approximately €19 billion of assets under management[3].

Our dedicated team, guided by experienced leadership and a highly focused investment group, propels our success. With close to 250 professionals in 12 offices at the end of 2024, CVC DIF offers an agile approach, combining global presence with the advantages of strong local networks and investment capabilities across a range of sectors.

We have a solid track record in mid-market investments, delivering attractive risk-adjusted returns. The investments that we manage span highly diversified sectors, including the energy transition, digital infrastructure, utilities, and transportation. Our closed-end funds and co-investment vehicles offer institutional investors diverse investment opportunities in infrastructure.

As specialists in essential infrastructure, we understand that investment in infrastructure, including transportation, energy, and communication systems, is necessary for enabling the overall process of economic development. Proper infrastructure supports businesses in their operations and productivity, while also enhancing the quality of life. We strive to deliver high-performing investment solutions that generate long-term value for all stakeholders.

1. For more information about how the winners were selected, please visit *https://www.infrastructureinvestor.com/our-2024-awards-have-changed-but-we-still-want-your-submissions/*
2. *https://www.infrastructureinvestor.com/infrastructure-investor-awards-2024-global/*
3. As of 24Q4.
4. Based on unrealised investments in DIF IV-VII and CIF I-III per 24Q4. The sector grouping “Other” includes amongst other social infrastructure.

Overview of investments by EUR invested and committed[4]

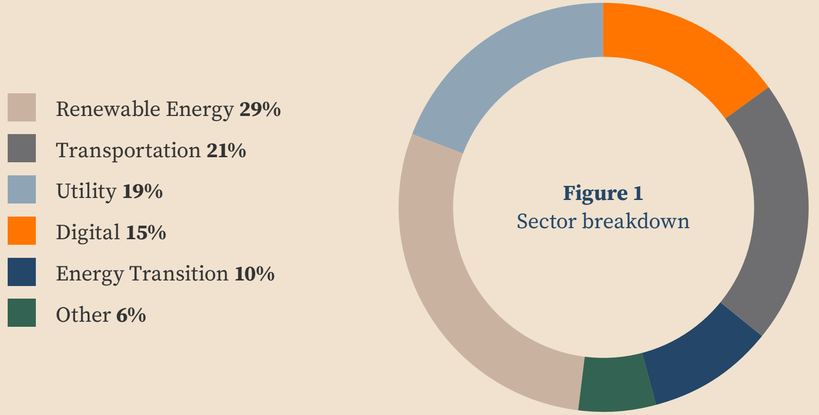


Figure 1
Sector breakdown

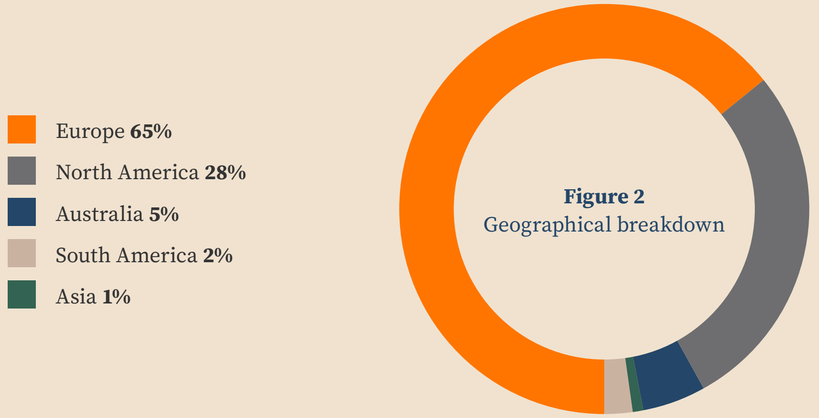


Figure 2
Geographical breakdown

1.4 CVC DIF: A prominent global mid-market investor[5]

~20 year

Mid-market infrastructure track record

~250

Total team, with 125 Investment Professionals

~€19bn

AUM diversified across infrastructure sectors

12

Offices in the CVC DIF global network

200+

Infrastructure investments.

5. https://www.infrastructureinvestor.com/infrastructure-investor-awards-2024-global/

1.5 2024 Highlights

Each year, we reflect on the achievements of our people and investments with gratitude and appreciation for the hard work of many. Here's what we are proud of in 2024:

- Fundraising of **€6.8 billion** with final closes across DIF VII (€4.4 billion), CIF III (€1.6 billion), and co-investment vehicles (€0.8 billion), a **50% increase** compared to the prior funds.
- Reaching the milestone of approximately **€19 billion** of assets under management.
- Becoming part of the CVC Group, which acquired **60%** of DIF Capital Partners during the year. To benefit from the strength of both CVC and DIF brand names, our infrastructure business is renamed CVC DIF.
- Achieving **5 stars** in the UNPRI assessment again, demonstrating our robust approach to responsible investment.
- Further **refining our responsible investment tools & processes**, such as updating the Responsible Investment Factor Identification Tool to be more comprehensive, sector-specific, and focused on financially material topics.
- Codifying our sustainability strategy through the completion of our **Double Materiality Analysis** to determine the strategically important topics to manage, both at the manager-level and within the portfolio.
- Strengthened **our responsible investment engagement programme** by expanding in-house support to portfolio companies and updating our questionnaire to reflect evolving requirements and stakeholder priorities.

02

Our sustainability strategy

2.1 Executive summary

CVC DIF believes that its social license is earned by improving the future for people and the places where they live and work. Managing sustainability-related factors and strengthening the positive environmental and social outcomes of the funds' investments contributes to an increase in their value. Conversely, investments with significant negative impacts or unmanaged risks to the business could put value at risk.

CVC DIF integrates sustainability factors at key stages of the investment process, identifying material sustainability factors, and conducting due diligence on sustainability factors that could significantly impact the investment's potential to generate responsible long-term value, whether as a risk or an opportunity.

Our sustainability strategy is built on the principle that financial and sustainability performance are not mutually exclusive. By integrating sustainability considerations into our investment decisions, we lay the foundations for our investments to deliver strong returns while also contributing positively to society and the environment. CVC DIF is of the opinion that being responsible means taking ownership of the impact of our business operations on the environment, society, and other stakeholders, in addition to managing how outside factors affect our own business operations and business operations within the portfolio.

2.2 Double materiality

Investing responsibly is a core value for CVC DIF. In 2024, CVC DIF undertook a Double Materiality Assessment (DMA) and used a risk management approach to determine the materiality of sustainability factors at both the manager-level and the portfolio-level. Responsible investment was identified as a material topic, as it is key to our approach to managing sustainability factors throughout the investment cycle. We believe that being responsible means taking sustainability factors into account at the relevant steps of the decision-making process.

The sustainability factors on the following page have been identified as strategically important to manage across the portfolio, either from the perspective of how an investment affects the environment and society (also known as the impact materiality) or how sustainability issues could affect an investment's value (also known as the financial materiality). CVC DIF deems it important, a robust best practice, and a compliance requirement in several jurisdictions that we operate in, to consider both impact and financial materiality in assessing the importance of sustainability factors. The business rationale is that factors which may not appear financially material at present, or whose impacts may be hard to quantify, can nonetheless result in financial consequences if not appropriately managed. Therefore, they need to be considered and addressed proactively.

2.3 Sustainability focus areas

Our sustainability strategy is based on seven focus areas, shown in the diagram below. Across the focus areas there are six objectives at the manager-level and six at the portfolio-level.

Focus areas within the CVC DIF sustainability strategy

	Environmental stewardship	Climate resilience	Safety	Employee potential	Community & supply chain	Responsible business conduct	Responsible investment processes
Manager sustainability focus areas	Taking action on climate by decarbonising our own operations	Transitioning our business plan to account for transition risks & opportunities	Ensuring the safety of all our employees	Ensuring equal & fair treatment and providing growth opportunities for our employees		Maintaining robust governance & transparency	Investing responsibly to create sustainable value
Portfolio sustainability focus areas	Engaging with our portfolio to decarbonise and advance environmental stewardship	Supporting our portfolio companies in navigating physical and transition risk	Maintaining workplaces that promote safety of the workforce	Promoting inclusive workplaces that successfully manage talent	Delivering value to communities and responsible practices in supply chains	Driving accountability and promoting robust governance & transparency	

Note *Throughout the remainder of this document, you'll find **colour-coded** tracers—where relevant—that correspond to the sustainability strategy elements outlined in Section 2.3.*

2.3 Sustainability focus areas

The manager-level

Within our focus on environmental stewardship and climate resilience, we take climate action by decarbonising our own operations and aligning our business plan with transition risks and opportunities.

Within our focus areas of safety and employee potential, our objectives are to safeguard employee well-being and promote equal, fair treatment and development opportunities.

Finally, we focus on responsible business conduct and responsible investment, with the objectives of maintaining robust governance and transparency and investing responsibly to create sustainable value. To measure progress towards these objectives all employees complete mandatory annual compliance training to encourage behaviour that aligns with our expectations for ethical business conduct. We monitor our progress on delivering our objective of creating sustainable value through tracking performance of our responsible investment processes.

Since the ultimate objective of our responsible investment approach is realising good financial outcomes, as well as meeting the expectations of the funds' investors, we track the sustainability performance of each of the investments in the portfolio, as well as specific value created through sustainability initiatives.

The portfolio-level

At the portfolio-level the sustainability strategy includes six focus areas that are strategically important for CVC DIF to engage on and monitor across the portfolio.

We have identified decarbonisation to be of strategic importance for portfolio companies to manage, in addition to other aspects of environmental stewardship, which vary according to sector and geography.

We also focus on climate risk at the portfolio-level, both physical and transition, looking to support portfolio companies in how they address these key types of risks and opportunities.

Social focus areas include safety, employee potential, and community & supply chain. Supply chain was not previously highlighted as a standalone focus area in our strategy, although it was monitored during the holding period. Our double materiality assessment underscored the need to elevate supply chain as a distinct priority. Within this pillar, we encourage portfolio companies to implement responsible supply chain practices, such as adopting a Supplier Code of Conduct. Progress is tracked annually for each participant in the SEP.

Finally, we focus on driving accountability and transparency within our portfolio. We do this through working with our investments on governance-related items, including, for example, Modern Slavery and Child & Forced Labor Policies, as appropriate.

These core areas form the backbone of our sustainability strategy and our approach to driving sustainable value creation. We work closely with portfolio companies to monitor progress and drive improvements on these topics. In parallel, sustainability reporting helps us demonstrate how we enhance the future of our people and the places where they live and work.

CVC DIF applies it's "Sustainability Engagement Programme" (SEP) to manage the strategically important sustainability topics, identified in the sustainability strategy, across the portfolio.

2.3.1 Managing sustainability factors during the holding period

Industry: Transport Infrastructure

Location: 18-kilometer dual two-lane motorway located in Normandy, France. It connects the city of Rouen with the A29 running to Le Havre

Fund: DIF Infrastructure V

Acquisition Year: 2018

Background

Motorways play a crucial role in modern infrastructure, facilitating the efficient movement of goods and people. However, the construction and operation of motorways can have significant environmental impacts, making it an imperative for motorway projects to adopt responsible practices in order to meet stakeholder expectations and ensure their license to operate. The impact of motorways is increasingly under scrutiny due to their potential to disrupt habitats, increase carbon emissions, and consume resources.

Motorway construction and operation result in the creation of increased carbon emissions and require significant resource consumption. Projects of this nature may face scrutiny over land use, biodiversity loss, and community displacement or division, potentially impacting the owner's license to operate and ultimately the value of the investment.

Current Position

Since 2019, A150 has made strong progress on its sustainability commitments, reflected in consistent improvements in its SEP scores. The company currently holds an above-average score of 78%, with notable strengths in community, safety, and governance—each scoring well above 80%.

Governance and community performance, in particular, have improved significantly during CVC DIF's holding period. Climate resilience remains the key area for further improvement.

2.3.1 Managing sustainability during the holding period - continued

Industry: Transport Infrastructure

Location: 18-kilometer dual two-lane motorway located in Normandy, France. It connects the city of Rouen with the A29 running to Le Havre

Fund: DIF Infrastructure V

Acquisition Year: 2018

Environmental stewardship and climate resilience

During this sustained engagement with CVC DIF, A150 has developed a comprehensive decarbonisation transition plan. This has included undertaking a series of actions to quantify Scope 1, 2, and 3 carbon emissions. These steps ensure compliance with environmental regulations and enable the company to begin increasing its climate resilience.

Additionally A150 has begun the development of a biodiversity strategy and established a comprehensive sustainability strategy. These efforts are supported by the SEP led by CVC DIF, which has been instrumental in driving continuous improvements in the sustainability performance of the investment.

A150's sustainability action plan includes numerous resilience-focused initiatives, such as ongoing solar panel projects, demonstrating active shareholding and alignment with broader sustainability goals. These efforts highlight A150's commitment to continuous improvement and proactive engagement from CVC DIF to address areas for enhancement.

SEP annual questionnaire score attained by A150 since acquisition

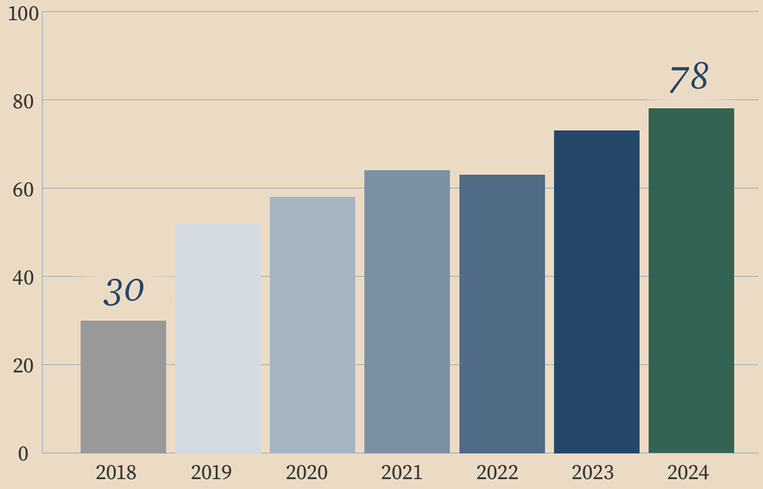


Figure 3, SEP score A150 per year of SEP participation

Outcomes and value added

A150's continued engagement with CVC DIF's SEP has driven steady progress, with its score rising from 30% in 2018 to 78% in 2024—a 48 percentage point improvement.

Next steps

Moving forward, A150 will continue to leverage the insights and frameworks provided by the SEP to enhance its sustainability initiatives. With CVC DIF's support, the company plans to further refine its resilience, decarbonisation, and biodiversity strategies, ensuring it remains aligned with broader sustainability goals.

03

Manager-level

3.1 Executive summary

CVC DIF has established objectives and measurable metrics for six areas at the manager-level. The manager-level sustainability strategy serves as the foundation for the company's overall sustainability strategy and informs fund-level sustainabilsity strategies and investment-level engagements. This structure means that sustainability impacts, risks, and opportunities can be managed effectively across different levels, whether manager, fund, or investment, in a consistent manner.

3.2 Environmental stewardship

CVC DIF has committed to becoming a Net Zero Asset Manager by 2050 in line with the Paris Agreement's objectives to limit global warming to well below 2°C, with efforts to restrict it to 1.5°C. This means that we are taking climate action by both decarbonising our own operations and encouraging portfolio companies to decarbonise. We also seek to improve the climate resilience of our own business by accounting for transition risks and opportunities.

3.2.1 Decarbonising our own operations

CVC DIF has made efforts to progress our environmental stewardship internally, with a focus in the last year on methods for decarbonising our own operations. As documented in prior sustainability reports, CVC DIF's own footprint consists of emissions relating to managing our (now 12) regional offices, employee commuting, and employee travel. Employee business travel makes up the vast majority of own operational emissions (Scope 3, financed emissions are reported separately, within the portfolio-level sustainability strategy reporting). Following the formation of the strategic partnership with CVC Group, whereby CVC DIF became the infrastructure strategy within the CVC Group, management of emissions arising from offices is in the process of being consolidated at the Group level. CVC DIF's operational carbon emissions are reported within the Group level emissions data. For details on the Group's emissions and the reporting methodology, please refer to the *CVC Group 2024 Sustainability Report.*

We have taken continued steps to manage and reduce our carbon footprint. We are increasingly seeking to align our approach to measuring and managing operational Scope 1, 2, and 3 emissions within the broader CVC Group.

Over the past year, we have focused on two key initiatives. We have enhanced our travel portal to include reminders about our travel policy, which encourages the use of trains over planes, where we have identified "green routes", which include routes with good service. Additionally, we have developed a travel dashboard to identify where most of our emissions occur. This tool has enabled us to pinpoint cleaner airlines for our frequently travelled routes. We are committed to educating our employees on these options to further reduce our carbon footprint.

3.3 Climate resilience

At the manager-level, we are focused on transitioning our approach to investing to account for transition risks and opportunities with the portfolio-level, and we report on our approach according to the Task Force on Climate-Related Financial Disclosures (TCFD) framework.

Climate resilience encompasses an organisation's ability to anticipate, prepare for, and respond to climate-related risks and opportunities. In this context, climate solutions play a critical role by reducing exposure to transition risks, enhancing physical robustness, and aligning with evolving regulatory and capital market expectations. We invest in renewable energy, electrification, energy efficiency, and Net Zero-aligned infrastructure. These sectors are core to our strategy—and as a result, our investments often contribute to significant emissions reductions. While we do not have a formal target associated with the concentration of these types of investments as a proportion of the overall portfolio, we carefully monitor the amount of AUM held in investments that we deem to be climate solutions[6]. The proportion of climate solutions in our portfolio has remained stable year on year, with 47% of our investments currently directed towards climate solutions, compared to 49% in the previous year. This slight decline is primarily due to the divestment of certain renewable assets and is not considered indicative of a broader downward trend. This overall stability reflects our continued commitment to supporting initiatives that mitigate climate change and promote environmental sustainability.

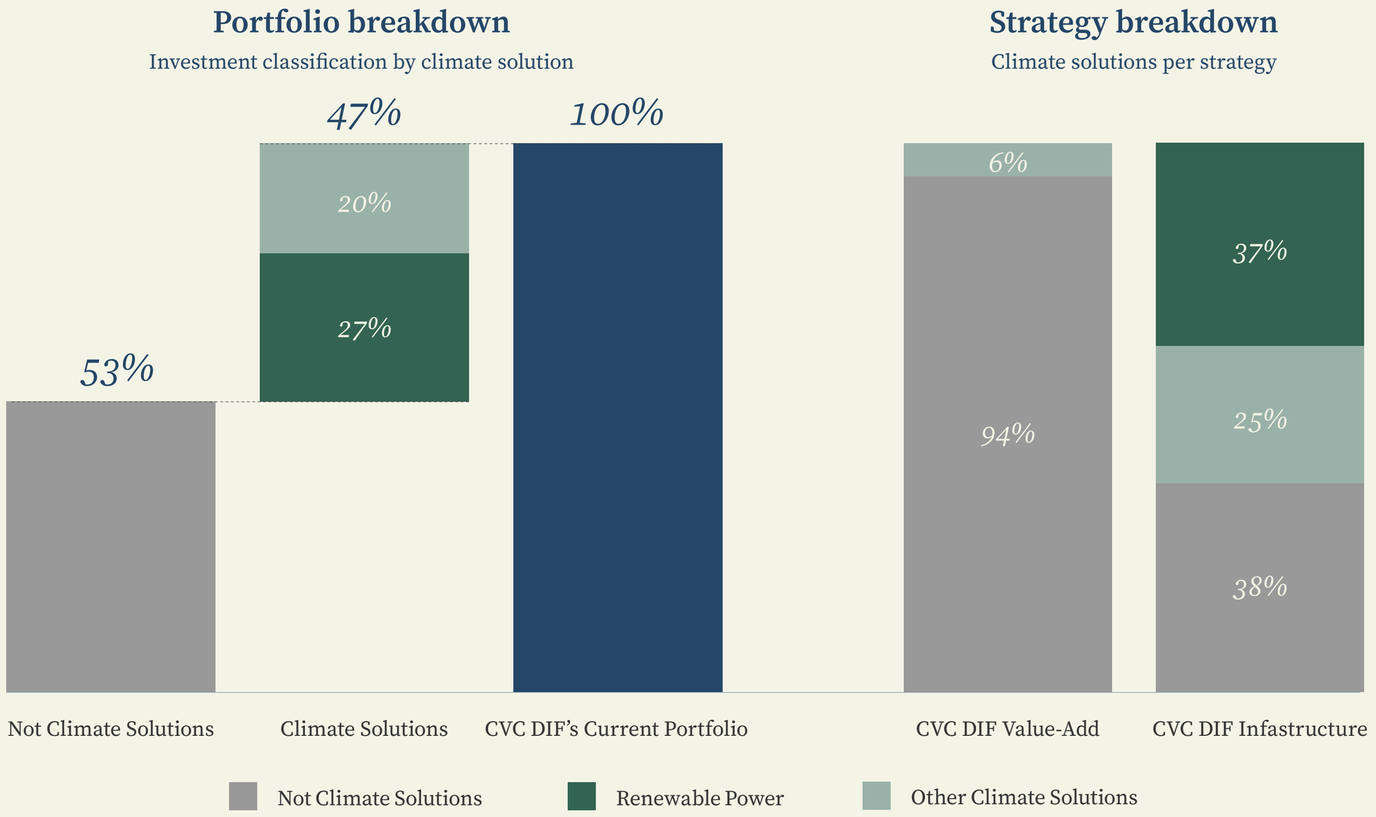


Figure 4, Climate solutions in CVC DIF's portfolio

6. The following types of investments were considered as climate solutions based on a proprietary methodology defined with the support of ERM, which considered investments' potential alignment under the EU Taxonomy framework for the climate change mitigation objective: renewable power utilities (hydro, wind, solar, geothermal); energy storage; renewable fuels of biological and non-biological origin; electric vehicles; energy efficiency solutions providers; and district heating systems with over 50% of renewable heat. Note that this assessment is not meant to demonstrate alignment with EU Taxonomy requirements, but it is used as an indication of CVC DIF's portfolios' positive contribution to climate change mitigation. To be classified as climate solutions, investments needed to demonstrate more than 75% alignment of their activities (by Capex, OpEx or Revenues) to the climate mitigation objective.

3.3.1 Financed emissions metrics

CVC DIF collects GHG emissions data from our portfolio through the SEP. Investments that have not established their own approach for calculating their carbon footprint are provided with access to an online carbon calculator tool. As a result of this engagement, we received Scope 1 and 2 data for 81% of AUM[7] of the portfolio in 2024.

As data availability and respective portfolio make-up is subject to change, absolute emissions figures are difficult to compare year on year. Therefore, we disclose the normalised metrics as defined in the TCFD guidance and in relevant regulations, with an emphasis on transparency and coverage. Disclosed metrics include Weighted Average Carbon Intensity (WACI) and Carbon Footprint. The results are presented in Figure 5 with the metrics from 2023 shown in brackets.

Fund strategy	Weighted average carbon intensity (tCO_2e/million EUR revenue)	Coverage (% of FMV)[8]	Carbon footprint (tCO_2e/million EUR invested)	Coverage (% of FMV)
DIF Infrastructure	**564.8** [147.5][9]	**83%** [74%]	**23.1** [17.3]	**83%** [83%]
DIF Value-Add	**94.9** [131.4]	**61%** [79%]	**5.2** [11.4]	**61%** [79%]

[Previous Year Values]

Figure 5, Financed emissions metrics per fund strategy

3.3.2 Our approach to building climate resilience

We recognise that climate change presents both risks and opportunities for our investments. In line with the recommendations of the TCFD, we are seeking to build climate resilience across our portfolio by identifying, assessing, and managing material physical and transition risks. We integrate climate considerations into our investment process, conduct climate risk assessments, and have a range of supports in place for portfolio companies to drive progress on decarbonisation. Through active engagement with our investments, we aim to navigate the challenges of the energy transition and maintain a resilient portfolio, supporting our goal of delivering sustainable value for our stakeholders.

7. Represents percentage of fair market value.
8. The table presents results for investments where GHG footprint data was available at the time of writing this report. For the DIF Value-Add funds the coverage dropped as new investments were not able to report their GHG footprint yet and some data was not available yet due to ongoing validation.
9. Note that this substantial increase is driven predominantly by one single investment that moved from 'under construction' to 'in operation': a high-efficiency combined-cycle natural gas facility. The plant plays a key role in supporting the respective country's transition away from coal by providing lower-emission baseload electricity. While it remains a fossil fuel asset, its higher efficiency and role in displacing coal generation contribute to near-term emissions reductions in the region.

3.3.3 Integrating climate resilience into our responsible investment approach

Responsible investment is at the heart of our business strategy and informs many of the decisions that we make with regard to potential acquisitions, as well as our existing investments. Integrating climate resilience is a key part of this approach. We manage climate risk and opportunities at three levels:

At a strategic level

We pursue diversified and resilient investment strategies. We actively leverage our deep expertise to inform capital allocation, with a growing focus on sectors that will be resilient over time due to their role in the global transition to a lower-carbon economy. Our strategy includes diversification by geography and across energy transition-related subsectors—such as clean power, electrification, low-carbon fuels, and enabling infrastructure—to manage regional policy variation and capture a broad range of transition opportunities. Our locally embedded teams provide deep regional insight into energy transition dynamics and regulation, supporting informed decision-making. This integrated approach enhances portfolio resilience and long-term value creation.

For potential acquisitions and investments

We manage a significant share of climate risk at the pre-investment stage. Climate risk has been a formal part of our due diligence approach for many years, and due diligence on sustainability factors is now systematically embedded in our investment processes. Technical due diligence is conducted to assess exposure to physical climate risks. This includes evaluating asset design, construction quality, and location-specific climate vulnerabilities, as well as reviewing partner and supplier competence to ensure long-term operational resilience. Insurance due diligence is also conducted to assess asset insurability and coverage adequacy when possible. While some climate risk may be accepted, our goal is to identify and quantify risks early so they can be priced, mitigated, or avoided. For example, in cyclone-prone regions, we review asset design and insurance coverage to ensure robustness to such hazards. Where relevant, we apply scenario analysis to assess potential long-term exposures under different climate pathways.

During our holding period

A sustainability action plan is developed for each investment participating in the SEP, which is reviewed and updated annually to reflect evolving risks and opportunities, including those related to climate. We appoint experienced investment management teams who understand how to navigate material climate-related risks and capitalise on emerging opportunities. We also collaborate exclusively with developers and partners who demonstrate strong capabilities in identifying and managing climate-related issues. We have monitoring mechanisms in place to ensure timely awareness of material developments that may warrant deeper engagement by CVC DIF. For example, internal updates include dedicated sections on regulatory developments, and management teams often have KPIs where climate-related risks may surface—such as asset uptime for fibre infrastructure. Sustainability topics, including climate risks and opportunities where they may be material, are discussed at least annually at board level.

More detail with respect to how we manage climate-related risks within the portfolio can be found in *Section 4.4*.

3.4 Safety and employee potential

The safety, wellbeing, and achieving the full potential of our workforce are core pillars of our sustainability strategy. Our wellbeing initiatives at the manager-level are designed to create a supportive and secure environment for all employees. We implement comprehensive safety protocols and regular training to strive for physical safety across all operations.

We recognise that mental wellbeing is equally crucial. To this end, we provide access to mental health resources, promote a culture of openness and support, and integrate mental health considerations into our overall wellbeing strategy.

3.4.1 Fostering a safe and supportive work environment

Our latest Employee Engagement Survey revealed that 78% of CVC DIF employees feel they work in a secure environment, and 77% feel supported by their manager in maintaining their health and wellbeing. This positive response highlights the strength of our global organisation, where psychological safety and open dialogue are well established. However, with 17% of employees expressing neutral views on workplace safety, we see a clear opportunity to further enhance the sense of safety and communication across the organisation. We remain committed to addressing these concerns with urgency and care.

In 2024, we introduced a new question to our Employee Engagement Survey. Of the respondents, 93% indicated positive or neutral sentiment when asked if they feel they belong at CVC DIF—a figure we are proud of. By extending our range of questions surrounding belonging, we are helping our employees make their voices heard and promoting equal and fair treatment, as well as providing growth opportunities for our employees by taking remedial steps against negative sentiments.

83% of employees are proud to work at CVC DIF

3.4.2 Mental wellbeing

We understand that mental wellbeing is integral to overall employee health and productivity. Our commitment extends beyond providing a safe physical space to cultivating a positive and inclusive work culture.

79% of employees feel that they can be their authentic self at work*

**New question for 2024.*

We actively promote work-life balance through flexible working arrangements and encourage employees to utilise their full vacation allowance. We have specific and targeted actions towards mental wellbeing across our operations. In the UK, our Employee Assistance Programme (EAP) offers confidential access to professional counselling and support services for employees facing personal or work-related challenges, and a Headspace (mental health support app) subscription.

We have also trained Mental Health First Aiders across a number of our global offices, providing peer support across the CVC network. We offer programs focused on stress management, such as mindfulness workshops and resources on managing workload effectively, regularly, as well as wellbeing training resources through Udemy.

Helping our employees feel supported by their leaders and management is important to us, so we have integrated wellbeing modules into our leadership training courses. All of these initiatives combine to contribute meaningfully to our focus area of ensuring equal and fair treatment and providing growth opportunities for our employees.

We actively encourage open communication and feedback through routine employee surveys and team meetings, using insights gained to continuously improve our wellbeing programs and address any concerns raised. We are committed to fostering a culture where employees feel valued, respected, and supported, contributing to a positive and sustainable workplace for all.

3.4.3 Employee potential

Above all, we are passionate about what our people do and are committed to continuous improvement. As individuals, we strive to set the highest standards and go above and beyond in our efforts. As a team, we are dedicated to transforming this passion into a positive impact for our investors, businesses, and people globally.

We believe that our people are our greatest asset. Therefore, we are committed to every employee having the opportunities necessary to learn, grow, and thrive. A hands-on mentality lies at the heart of our organisation, driving everything we do. This proactive approach is the driving force behind our fast-growing success story.

For full information pertaining to the policies, risks, and opportunities associated with our workforce, please see the *2024 CVC Capital Partners plc Annual Report and Accounts.*

KPIs and metrics

We track a range of KPIs linked to unlocking employee potential—including gender diversity, the gender pay gap, and employee engagement.

In 2024, two of the five members of our Executive Committee were women, reflecting progress toward greater gender diversity at the highest level. Organisation-wide, senior female representation is improving but currently stands at 21%, showing there's still work to be done. We remain focused on supporting women at senior leader and director levels—encouraging them to pursue their ambitions and champion the next generation. While this reflects broader structural challenges within the private equity sector, we recognise the need for meaningful change. To drive continued progress, we've set internal gender diversity ambitions that are regularly reviewed by our leadership team.

We are also focused on understanding and addressing the gender pay gap within our organisation. As a key equity metric, we measure and report our adjusted pay gap to maintain equal pay for men and women who do the same work, and are pleased to continually note a minimal adjusted pay gap. We are actively working to maintain this minimal gap through targeted initiatives, including enhanced parental leave policies, the development of diverse hiring pipelines, and a stronger focus on inclusive career progression. These efforts are part of our broader commitment to building a more equitable and representative organisation.

Employee engagement is another critical area of attention for us. In the most recent Employee Engagement Survey, 78% of our employees participated[10], providing valuable insights into their satisfaction and pride in working at CVC DIF. Out of survey participants, 81% agreed they are satisfied with CVC DIF as a workplace, and 83% agreed that they are proud to work for us.

10. Since the July 2024 survey, we have undergone significant changes, including the acquisition by CVC Group and the alignment of support teams, resulting in material changes to the employee pool available to be surveyed. This may impact comparison of results to the 2023 survey.

3.4.3 Employee potential

Learning & development

Continuous learning and development (L&D) are key to us and support our efforts to offer equal opportunities to all our employees, whilst boosting their professional development. CVC DIF offers an extensive training curriculum tailored to the needs of an employee's role, team, and location, providing people with the tools and training opportunities that foster creativity, innovation, and collaboration. This personalised approach to learning is based on development requirements identified in the performance and review cycle, alongside industry developments.

We gather data annually on the percentage of employees who feel supported in their L&D efforts. This feedback is crucial for understanding the effectiveness of our programs and identifying areas for improvement. We are also collecting data on employee progression, retention, and promotions to evaluate the impact of our L&D initiatives. This information will provide insights into career advancement and the effectiveness of our talent management strategies.

The CVC DIF Academy continues to be a cornerstone of our L&D efforts, offering a range of mandatory training courses to help employees grow and succeed. Our inclusive leadership training is hosted on this platform to develop a cohort of leaders who are equipped to foster a diverse and inclusive workplace. We also have access to the Udemy platform through the CVC Group, which offers on-demand training to all employees across a range of topics to further personal development.

Within CVC DIF, we have developed leadership journeys for all employees at different grades. At CVC DIF, the leadership journey is a dedicated leadership development programme that is tailored to the learning needs and goals of people at a similar stage in their careers. This programme aims to provide guidance and support to emerging leaders, helping them navigate their career paths and achieve their goals. Networking groups, such as those bringing women in CVC DIF together, are also key to our strategy. These groups, which are open to all members of staff, foster connections and support among employees, promoting a sense of community and shared purpose.

Performance management cycle

Our commitment to fostering a thriving and equitable workplace is embodied in our comprehensive performance management cycle. This cycle provides the infrastructure for talent to develop and thrive through structured processes in talent development and performance management.

While our employees may exhibit different strengths based on their roles, it is essential that we collectively align our efforts to drive the overall success of the company. Across all of our teams, we calibrate performance reviews to ensure normal distribution in performance ratings, meaning everyone gets an equal chance at progression.

Goal Setting: At the beginning of the cycle, employees and managers collaborate to set clear, achievable goals that align with the company's strategic objectives and support individual development.

Mid-Year Review: This review provides an opportunity for employees and managers to discuss progress, address challenges, and adjust objectives as necessary, ensuring ongoing alignment and continuous feedback.

End-Year Review: A comprehensive evaluation of overall performance against set goals is conducted, assessing achievements and identifying areas for future growth and development.

In 2024, *50 employees* received promotions, and we wish them all every success in their new role.

3.4.4 Charity

Our strategic approach to charitable activities has sustained a meaningful level of philanthropic contributions. Supporting our employees and their charitable efforts by using our platform and oversight is a privilege we carry in our day-to-day activities.

In 2024, we contributed more than €200,000 to 11 different charities, sponsorship initiatives and relief funds. In 2024, the largest areas in which CVC DIF provided financial support were:

- **Emergency relief:** A significant portion was allocated to natural disaster relief in Valencia.
- **Giving back:** Major funding focused on promoting equal opportunities for young adults. Through partnerships with Giving Back and Article 1, CVC DIF supports organisations that reduce inequalities across academic and early career stages.
- **Social entrepreneurship:** Most donations supported the Allia Accelerator, helping social startups and non-profits refine their business models. This included both financial contributions and pro bono coaching from CVC DIF employees.
- **Other:** CVC DIF also supported medical research initiatives addressing major global illnesses, including cancer, muscular atrophy, and ALS.

Since 2018, CVC DIF has supported charitable efforts through a structured programme that empowers employees to engage in meaningful activities and extends our impact through strategic partnerships and direct contributions to causes that align with our values and mission. The programme is designed to foster impactful giving and meaningful engagement, ensuring that our contributions make a significant difference.

CVC DIF Funds' investments benefit from access to the CVC Planet & People grants, which aim to empower companies to address critical global challenges such as climate change, resource conservation, and community development. By leveraging these grants, companies can enhance their ability to create sustainable, long-term value through initiatives that are scalable and transferable across the portfolio.

"We are committed to facilitating our employees to make a positive impact on the environment and society and amplifying their impacts through financial support. Being able to collaborate with the CVC Foundation is a great source of inspiration to further our positive contributions to people and planet."

- **Bob Kreder, Charity Manager**

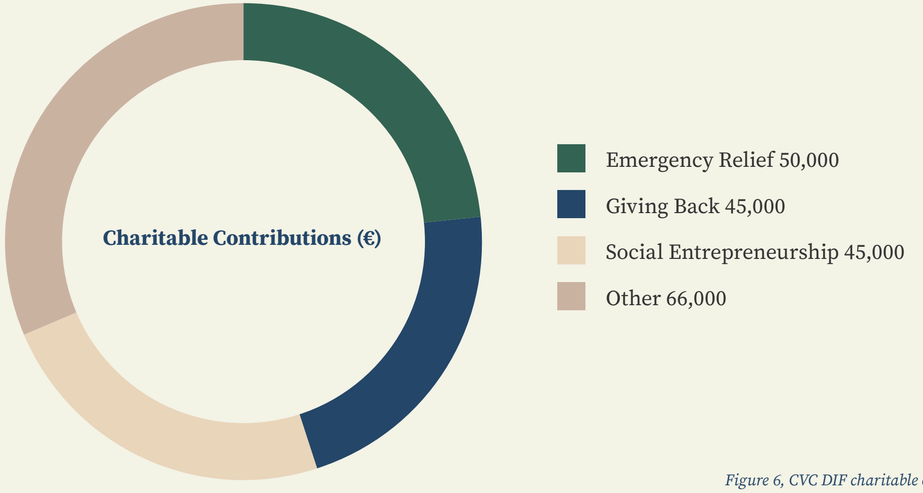


Figure 6, CVC DIF charitable contributions by focus area

Charity within CVC DIF isn't merely limited to donations, but our employees also dedicate their time to charitable causes:

Partnerships and collaborations systematically set up by CVC DIF for global volunteering:

- Article 1 (France)
- Allia Accelerator Programme (United Kingdom)
- Foodbank Frankfurt (Germany)

Organisations where CVC DIF employees are proactively making a difference 2024:[11]

- **Stichting met je hart:** reducing loneliness for the elderly
- **Stichting het vergeten kind:** ensuring safe and fun childhoods for childrens who are deprived of this
- International food banks and shelters

11. Not including CVC DIF partnership initiatives

3.5 Responsible business conduct

Responsible business conduct at CVC DIF means maintaining strong governance, transparency, and ethical integrity across everything we do. Compliance is not limited to meeting legal and regulatory requirements—it also entails upholding the highest standards of ethical behaviour and principled decision-making.

This mindset is embedded at the top of our organisation. Our leadership actively champions a culture of integrity, supported by clear policies and consistent training. We promote awareness of our compliance framework through regular updates, e-learnings, and in-person training for all staff, including senior leadership. Our compliance manual offers practical guidance on the application of each policy in day-to-day operations.

We maintain this robust compliance structure because it enables us to navigate a dynamic and complex financial landscape with confidence, rigour, and accountability.

Our core areas of focus include—but are not limited to—outside affiliations, personal securities transactions, insider trading, trading in CVC Group, whistleblowing, data protection and privacy, anti-bribery and corruption, tax, AML/CTF, sanctions, and cybersecurity.

For detailed information on each of these areas, we refer to our *2023 Sustainability Report*, which featured an in-depth overview of our responsible business conduct approach. Additionally, please refer to the business conduct section of the CVC Group *2024 Sustainability Report.*

3.6 Responsible investment

As a fund manager, the main way CVC DIF interacts with and is influenced by the external environment is via our investment activities. Our goal is to grow overall wealth for our investors by acquiring and managing infrastructure assets on their behalf that increase in value over time. We raise capital by creating and marketing investment funds, then focus on maximising the value of those investments while keeping risks within defined limits. In doing this on behalf of our investors, CVC DIF is committed to acting responsibly and in good faith, always considering relevant information when making investment decisions. To that end, CVC DIF has been, since 2011, a signatory to the United Nations Principles for Responsible Investment (UNPRI), which set out a suite of actions that are used by CVC DIF to ensure that consideration of sustainability topics is incorporated throughout the investment process.

By implementing the principles and our own Responsible Investment Policy, which aligns with that of the CVC Group, CVC DIF has established a systematic and robust approach to responsible investment, allowing us to deliver high-performing infrastructure investments that create sustainable value for stakeholders. We define responsible investment as the processes by which sustainability factors are taken into consideration during the investment decision-making process and throughout the holding period, and we achieve this across three key stages of the investment process:

Acquiring with insight

We implement a diligent investment selection process, leveraging our agility as a mid-market player while intentionally scanning a diverse investment space.

Scaling and enhancing investment impact

We evaluate and engage with portfolio companies to support them in enhancing their sustainability performance, in professionalising with robust governance, and in making progress towards decarbonisation in line with our portfolio Net Zero goal and interim targets.

Tracking and capturing portfolio performance

We monitor and evaluate our portfolio through robust systems to assess their sustainability milestones and to capture and optimise value to stakeholders.

We pursue responsible investment because we believe that companies and assets that proactively address sustainability risks and opportunities tend to outperform those that do not in the long run. By doing so, we mitigate potential risks, enhance resilience, and improve the overall impact of our portfolio on the environment and communities. Responsible investment is a strategic approach that aligns financial performance with sustainable outcomes. It is our duty to our investors and their beneficiaries to employ this approach in all we do.

3.6.1 Responsible investment processes

We utilise several in-house tools and processes to deliver on our responsible investment strategy. These are used across the three stages:

Acquiring with insight

We implement a diligent investment selection process, leveraging our agility as a mid-market player, while intentionally scanning a diverse investment space.

During the origination process, we screen for fund-specific exclusions, as well as for Net Zero alignment feasibility, prior to a non-binding offer. We then complete the ESG Factor Identification Tool (ESG FIT), utilise a Climate Risk Tool (CRT), and then conduct due diligence on sustainability factors on the potentially material sustainability topics prior to submitting a binding offer.

Net Zero Screen: The Net Zero Screen is a process step to ensure investments align with our goal of becoming a Net Zero investor by 2050. It asks whether an investment would hinder achieving our target of having 70% of AUM achieve at least the status of aligning to Net Zero by 2030. This process supports the transition to a low-carbon economy, enhances reputation, ensures compliance with global climate goals, and helps manage risks by identifying where investments could become less viable in the context of a decarbonising world.

Intrinsic Benefit Tool (IBT): Some funds may have other specific requirements. For example, our CIF III and DIF VII Funds require the use of an Intrinsic Benefit Tool (IBT). The IBT was developed to identify and score the intrinsic benefits of infrastructure investments. The tool considers positive and negative impacts and is based on the United Nations Environment Programme Finance Initiative's impact radar.

Responsible Investment Factor Identification Tool (RI FIT): We developed the RI Factor Identification Tool to support investment teams in identifying potentially material sustainability-related topics that require due diligence. It aims to optimise the sustainability due diligence process by flagging topics early in the development of an opportunity. A climate-related risk and opportunity screening tool is embedded within the RI FIT.

Climate Risk Tool:[12]

- **Physical Risk:** Our current Climate Risk Tool (CRT) measures physical risk by analysing climate change-induced natural hazards in the sectors within the funds' investable universe. This analysis combines the location-based hazard exposure from climate change scenarios with sectors' specific vulnerabilities or sensitivities to these hazards. Hazard exposure data covers acute (floods and storms) and chronic risks (drought and erosion). The CRT uses a severe warming scenario (RCP 8.5), and data are available at various geographic levels.
- **Transition Risk:** Transition risks are identified based on input from the investment team across several dimensions, including revenue dependence on fossil fuels, transportation, mining, storage, or similar sectors; exposure to direct emission sources such as stationary combustion and process emissions; the materiality of energy consumption within operating expenses; and whether the investment thesis depends on the pace of the energy transition, technology adoption, or supportive regulatory frameworks.
- **Investment Committee Paper:** Within the papers provided to the Investment Committee on the proposed investment opportunity, we include a dedicated sustainability-related section that covers all identified findings, including risks and opportunities and how these will be managed.

Scaling and enhancing investment impact

We evaluate and aim to enhance sustainability, professionalise investments with robust governance, and drive towards decarbonisation and Net Zero targets.

Post acquisition any urgent or pressing sustainability-related items will be addressed as part of the 100 day plan. During the first year of ownership the company will be asked to participate in our annual Sustainability Engagement Programme (SEP). The SEP gathers data via a questionnaire and creates a scorecard as a pathway for companies to mature their sustainability practices and capabilities. If any sustainability factors for the company (i.e., cost of capital) are deemed significant and material, they will be included in the individual value creation plans to navigate the risks. More information on this can be found in *Section 4.3*.

Within the SEP, investments are assigned a Sustainability Action Plan, including targets mapped against our focus areas of environmental stewardship, climate resilience, safety, employee potential, community & supply chain, and responsible business conduct. Through this approach, we actively help our investments improve their sustainability performance and mitigate negative impacts.

Sustainability Engagement Program: Previously known as ESG Path, the SEP is CVC DIF's core tool for monitoring and enhancing sustainability performance across our investments. It aligns with our responsible investment approach and is built around our key sustainability focus areas, aiming to drive continuous improvement through active engagement. The SEP consists of two main components:

Surveys: Each year, two surveys are completed by our portfolio companies. The first collects backward-looking data (e.g., GHG emissions from the previous year), while the second assesses current sustainability-related policies and practices (e.g., existence of a Supplier Code of Conduct). Once reviewed and validated, results are compiled into a tailored scorecard and shared with each investment.

Sustainability Action Plan: Developed collaboratively by the investment, the Investment Team, and the Sustainability Team, the Sustainability Action Plan outlines material, sector-relevant actions aligned with the company's sustainability maturity. These actions are designed to drive measurable performance improvement over time.

Tracking and capturing portfolio performance

We monitor and evaluate our portfolio through robust systems to assess our sustainability milestones and to capture and optimise the value to stakeholders.

We report quarterly to the funds' investors — and publicly annually — using various templates as requested by them, such as the European ESG Template (EET) and ESG Data Convergence Initiative (EDCI), and expected for our sector, like the Net Zero Investment Framework (NZIF) and UNPRI. We also recognise that responsible investment can go beyond our hold period for a future buyer to continue it. We stick to our commitments on sustainability all the way to divestment[13], incorporating relevant ESG metrics and sustainability initiatives into the divestment value proposition.

12. This year, we will be updating our CRT to match CVC Group's climate risk tooling.
13. When a company is in the divestment phase, we allow for leeway to not participate in SEP.

3.6.2 ECO: Navigating industrial waste disposal and carbon taxes

Industry: Specialised waste management
Location: Singapore
Fund: DIF Infrastructure VII
Acquisition Year: 2024

The industrial waste disposal industry contributes greatly to the global circular economy, and significant improvements are needed to improve operations and enhance efficiency, compliance, and the adoption of sustainable technologies.

Background

DIF Infrastructure VII has invested in ECO, a company with a series of specialised waste management and disposal sites in Singapore, aiming to implement initiatives like carbon reduction plans to improve operations long into the future. ECO fulfils an essential service and has several positive sustainability attributes, such as offering a full suite of alternative recovery and recycling capabilities within its facilities, and employing incineration — the safest, most viable method for treating industrial waste streams. However, ECO operates in a hard-to-abate sector with high-temperature industrial processes that present complex decarbonisation challenges.

During pre-investment, we engaged several external advisors to help us investigate ECO's sustainability performance and its ability to align with our manager-level commitments.

Since acquisition in 2024 our co-shareholder Séché Environnement successfully closed its first green bond issue to refinance the acquisition of ECO – this was supported by the establishment of a sustainability framework based on the criteria of the EU Taxonomy.

Now, during holding, CVC DIF will monitor developments and strive to decarbonise the investment, with the support of Séché, our co-shareholder.

Decarbonisation

ECO owns plants with a total waste processing capacity of 649 kilotonnes of waste per annum. As a function of this, it emits an average of 43,000 tonnes of CO2 per year. CVC DIF conducted research on the viability of Carbon Capture and Storage (CCS) and alternative decarbonisation technologies, but the conclusion was that these would probably not enable ECO to meet targets aligned to the Paris Agreement in the short- and medium-term, but this could become possible for 2050[13]. Evaluations included a review of viable mitigation levers, including electrification, fuel switching, process innovation and CCS. While each of these pathways show potential, their near-term feasibility remains uncertain given current technology maturity, regulatory frameworks in Singapore, and infrastructure availability. CVC DIF is pushing to reduce ECO's carbon footprint as far as possible through technological research and the implementation of renewable energy generation facilities to investigate solutions such as solar panels onsite, while recognising that this will not make the material impacts needed to stay below 1.5 degrees in the short- and medium-term.

Water, land, and air quality

During pre-investment, we engaged an external advisor to investigate water, land, and air quality risks to ECO sites and no material and unmanageable risks were identified. We have defined follow-up actions that will be executed during the holding period for any areas that need attention.

Next steps

While a short- to mid-term decarbonisation pathway that aligns with near-term Paris-aligned targets may not be viable for ECO, the investment is actively investigating post-acquisition decarbonisation, supported by CVC DIF where needed. Efforts focus on accurately quantifying emissions, exploring operational efficiencies, and assessing the scalability of emerging technologies under local conditions. Given CVC DIF's co-shareholders' aspirations, we are well aligned on ECO's decarbonisation journey.

3.6.3 Trapil: Integrating responsible investment into the investment cycle

Industry: Pipeline Infrastructure
Location: France
Fund: CIF II
Acquisition Year: 2021

SEP annual questionnaire score attained by Trapil since acquisition

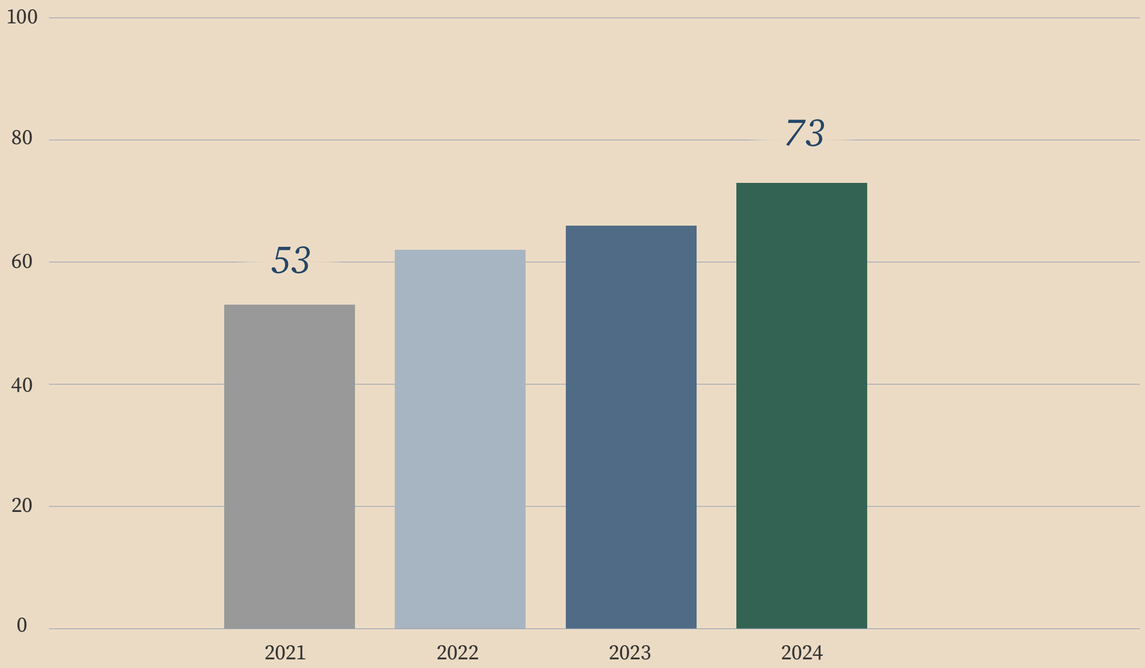


Figure 7, SEP score Trapil per year of SEP participation

"With CVC DIF's support, we've been able to embed sustainability more deeply across our organization. We're proud of the progress made and look forward to continuing this collaboration. Together, we're unlocking meaningful opportunities through sustainability—strengthening our market position and, ultimately, enhancing long-term returns."

Xavier Folch CEO at Trapil

© Trapil

3.6.3 Trapil: Integrating responsible investment into the investment cycle - continued

Industry: Pipeline Infrastructure
Location: France
Fund: CIF II
Acquisition Year: 2021

Upon acquiring Trapil, CVC DIF and our partners conducted thorough due diligence on sustainability factors aimed at evaluating the company's sustainability practices. Since the acquisition, Trapil has shown improvements in its sustainability scores, exemplifying our positive influence.

Market positioning and transition opportunities

Trapil is uniquely positioned in the market, providing a natural hedge to energy transition due to its exposure to the aviation sector. Together with CVC DIF, Trapil sees significant transition opportunities within its portfolio and actively supports key investments through a dedicated business plan analysis.

To support the decarbonisation of the aviation sector, Trapil has signed two Memoranda of Understanding (MoUs) with companies active in this sector, confirming the intention to help decarbonise the aviation sector and increase the transportation of sustainable aviation fuel (SAF) and eSAF (Electro-SAF). By the time of divestment, these projects are expected to be ongoing or under construction, making them highly valued by potential investors, as confirmed by investment banks.

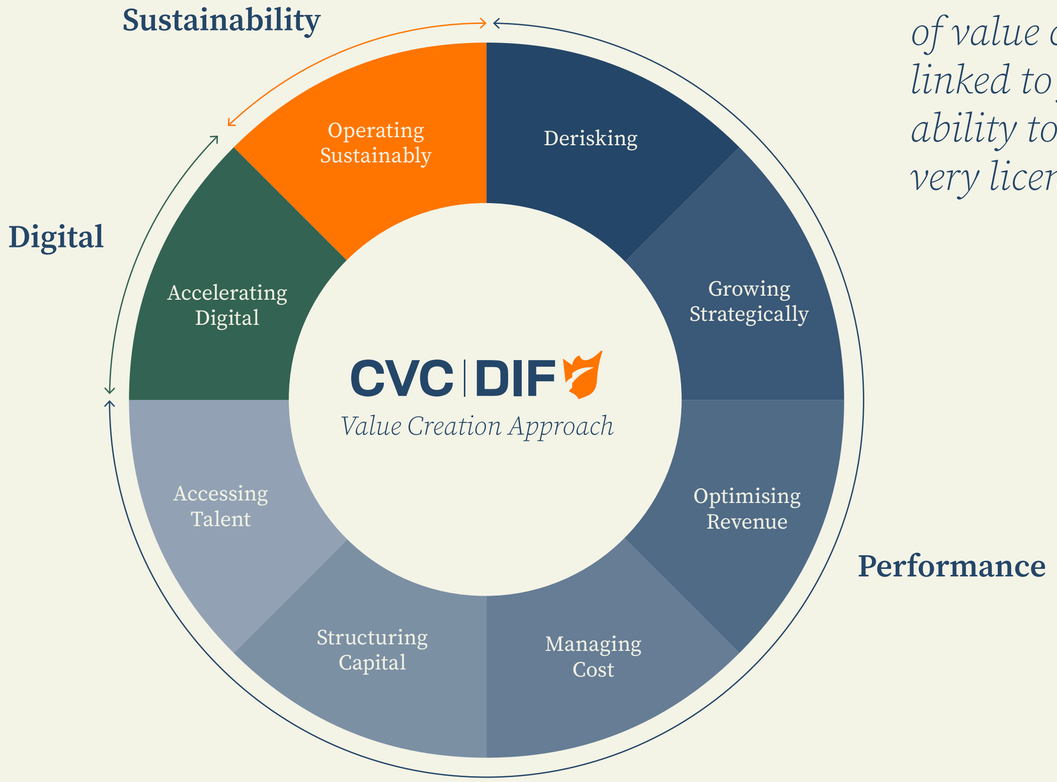
In addition to diversification, Trapil recognises the need to contribute to decarbonising its own operations rather than just enabling other industries' decarbonisation. It has identified several areas where it can move its revenues towards more sustainable alternatives. The most credible avenue for diversification is participation in the SAF/eSAF market, including constructing and operating local networks for hydrogen (H_2), carbon dioxide (CO_2), or SAF. This diversification strategy positions Trapil to influence the behaviour of a wide range of aviation operators by making more sustainable fuels available. All these efforts are part of Trapil's achievements and future goals.

Achievements and future goals

This year, Trapil plans to finalise a science-based greenhouse gas emissions reduction target to reach Net Zero by 2050. Additionally, the company has achieved ISO 14001 certification, demonstrating its commitment to environmental management. An important step towards decarbonising own operations is the acquisition of a cleaner alternative to barges and trucks for transporting SAF/eSAF, which requires no additional CapEx or improvements. As the decarbonisation of aviation continues, Trapil is positioned to be at the forefront of this transition.

CVC DIF's integration of responsible investment practices into the investment cycle has significantly improved Trapil's sustainability scores and strategic positioning. Through proactive support and strategic initiatives, Trapil is well-equipped to navigate climate resilience challenges and capitalise on transition opportunities. The company's commitment to sustainability and diversification promotes robust outcomes and higher returns on investment, making it an attractive prospect for potential investors.

3.6.4 Sustainability as an integral part of our broader value creation approach



"We view sustainability as a critical component of value creation. Sustainability is intrinsically linked to financial benefits such as cost savings, ability to secure contracts, and the business' very license to operate."

Angela Roshier Head of Value Creation

Sustainability and value creation

Key Levers in our approach
Our approach to infrastructure investment involves eight key levers, including sustainability, which is explored in more detail below.

Sustainability and value creation
Sustainability plays a critical rolse in value creation, though its impact is often influenced by mediating variables. As a result, demonstrating a clear, direct link to financial performance can be complex.

To bring more clarity to this relationship, our value creation approach focuses on sustainability factors that have a direct connection to financial statements. These include:

1. OpEx reduction
2. Revenue optimisation and protection
3. Cost of capital improvements
4. Divestment value optimisation through decarbonisation

Over the past year, we've embedded targeted questions into the SEP to assess value creation linked to these four drivers.

When one or more of these factors is deemed financially material and significant, they are integrated into our Value Creation Plans (VCPs).

Beyond the VCPs, we also seek to create value through our annual sustainability action plans, which may include sustainability measures that, while less direct, are still deemed financially relevant and accretive over time.

04

Portfolio-level

4.1 Executive summary

In managing our infrastructure investment funds, CVC DIF maintains a comprehensive overview of our portfolio while respecting the autonomy of our portfolio companies. Our approach is to encourage better practices and provide access to valuable resources rather than directly controlling the day-to-day activities of these companies.

Our role involves setting clear expectations for sustainability and performance and offering guidance to help our portfolio companies achieve these goals. We facilitate access to best practices, industry expertise, and innovative solutions that can enhance their operations and sustainability outcomes. We pursue responsible investment as a strategic approach to align financial performance with sustainable outcomes. By proactively addressing sustainability risks and opportunities, we can enhance resilience, mitigate potential risks, and help improve our portfolio's impact on the environment and communities. This is not a moral imperative, but rather a core element of our duty to investors.

This section of the report highlights how our strategic oversight and resource provision contribute to the success of diverse portfolio companies. We showcase examples of how our encouragement and support have led to significant advancements in sustainability and operational efficiency.

4.2 CVC DIF Funds' strategies

CVC DIF manages two infrastructure equity fund strategies that follow a well-defined and clearly differentiated investment mandate. Both strategies target operational and construction infrastructure investments, primarily in Europe and North America and selectively Australia and other well-developed countries worldwide.

For each Fund, CVC DIF develops a tailored sustainability strategy aligned with the Fund's mandate and investor objectives. This approach is detailed in the Fund's Private Placement Memorandum and related documents. Decisions on fund-specific exclusions, such as excluding certain sectors (e.g., coal), are made at the fund level. CVC DIF commits to all new Funds being at least Article 8 under the Sustainable Finance Disclosure Regulation (SFDR), promoting environmental and social characteristics. Our latest Funds are all Article 8 funds.

CVC DIF offers two main types of diversified infrastructure Fund strategies:

1. **DIF Infrastructure (DIF) strategy:** These funds invest in companies and projects that build, own, and operate essential infrastructure in core and core+ markets, typically with long-term contract cover offering downside protection and yield, combined with the opportunity for additional long-term value creation.

2. **DIF Value-Add strategy:** These funds invest in companies with strong competitive positions, often combined with attractive "buy and build" strategies, offering significant growth potential.

4.2.1 Case study: Consideration of sustainability factors in the context of our funds' deal funnel

CVC DIF typically holds assets for on average 7–10 years, but the infrastructure itself often operates for many decades. This difference in time horizons demands a highly selective filtering process, which is outlined below. Only the opportunities with long-term relevance and resilience across the full asset lifecycle progress from initial review to investment.

Funnel Stages	Methodology used to integrate sustainability into the decision-making process	Examples
Deals reviewed	From a sustainability perspective, some investments are excluded early on in the process based on formal criteria[14] as per Fund agreements listed in the respective **exclusion list***.	**Transactions abandoned quickly:** Any transaction on our exclusion lists of the respective Fund. E.g., if the potential investment undertakes oil and gas exploration activities, it may be excluded outright on the basis of Fund-specific exclusion criteria.
Transaction pre-approval stage (TPAF)	Sustainability concerns are often considered outside of formal tools and processes. For example, investment teams consider macro trends, such as demand for different types of energy, electrification, decarbonisation, and technology development.	**Declined in the pre-TPAF stage:** One of our investment teams, in coordination with senior leadership, rejected a landfill project due to anticipated environmental liabilities (e.g., ground contamination) and limited long-term value creation in a sector ideally shrinking due to preferences of other waste handling methods.
Pre-Investment Committee (IC)	All deals are screened for their potential to align with Net Zero and may be rejected on that basis. Some transactions are also rejected during this phase due to financially material sustainability risks identified through due diligence on sustainability factors. **Due diligence on sustainability factors*** is mandatory for 100% of our new investments.	**Investment declined after TPAF approval granted:** We declined an investment due to unresolved sustainability-related litigation, which posed unacceptable business and reputational risks.
IC approvals	Transactions with concerns about achieving **NZIF alignment*** before 2030 are halted and require Sustainability Committee approval to proceed. This step is built into our process, as the inability (or lack of clarity thereof) to reach NZIF Aligned is treated as a proxy for stranded asset risk, valuation pressure, and reputational exposure. Given these risks, we rely on the Sustainability Committee to provide a targeted review. This step is built into the TPAF stage, but sometimes further research is required to know with certainty whether decarbonisation in line with Paris is possible.	**Did progress despite Net Zero challenges to IC:** One of these examples is described in this Sustainability Report: *ECO*. ECO fulfils an essential service and has several positive sustainability attributes. However, the company operates in a hard-to-abate sector with high-temperature industrial processes that present complex decarbonisation challenges. While a short- to mid-term decarbonisation pathway that aligns with near-term Paris-aligned targets may not be viable for ECO, the investment is actively investigating post-acquisition decarbonisation, supported by CVC DIF where needed.
Investments Made		

14. Exclusion lists are set based on the specific requirements of each Fund's LPs. CVC DIF, as a manager, does not apply a separate manager-level exclusion policy. Exclusions may vary between funds, reflecting the individual preferences of their respective investors.
*Responsible investment tools and processes that must be used or followed for all new CVC DIF investments

4.3 Sustainability Engagement Programme

Before an investment is made, it is reviewed by the Investment Committee. 100% of our new investments undergo this review, which includes consideration of sustainability factors. This ensures that investment decisions are made with a clear understanding of both the short- and long-term sustainability-related impacts, as well as the potential implications for investment performance. During the ownership phase, we actively work with portfolio companies to improve their sustainability performance via our SEP and associated sustainability actions plans, covering a significant percentage of our AUM. There is a positive correlation between the time spent on SEP initiatives and overall SEP score improvement, motivating our continued work on the programme.

Developed based on recognised frameworks (e.g., EDCI, GRESB, CSRD)

SEP allows reporting on EET & EDCI

79 indicators covered in the annual reporting questionnaire

76 indicators covered in sustainability policies and practices questionnaire

Portfolio data gathered using SEP since 2017

95% of AUM covered in annual engagement*

*Includes AUM covered by the Sustainability Engagement Programme as well as AUM covered through alternative engagement in line with the respective fund mandate.

4.4 Engaging with our portfolio to decarbonise and advance environmental stewardship

Decarbonisation criteria are integrated into several pre-investment process steps, ensuring our portfolio is able to align with our and our investors' Net Zero ambitions. Additionally, we actively support our portfolio companies in accelerating their transition to a low-carbon future. We encourage our investments to pursue decarbonisation where we believe it is value accretive, such as through revenue enhancement, long-term savings in operational and capital expenditures, or achieving a premium at divestment.

To promote progress toward this ambitious goal, we utilise the NZIF (currently at version 2.0) as a framework for reporting and driving progress on Net Zero. The NZIF 2.0 provides a comprehensive approach for measuring and managing progress towards Net Zero alignment across our portfolio. We have established interim targets and sector-specific strategies that align with NZIF 2.0 and best practices established by industry leaders, including the Institutional Investors Group on Climate Change (IIGCC).

Leveraging these tools, we have established clear interim targets to guide our progress towards Net Zero:

- 70% of AUM aligning with Net Zero by 2030,
- 100% of AUM aligned with Net Zero by 2040, and
- 100% of AUM Net Zero by 2050.

Our commitment to these interim targets is central to managing climate risk. We actively engage with portfolio companies using a multifaceted approach that enables us to integrate Net Zero considerations into the value creation plan for each of our investments. This approach is key to our environmental stewardship efforts, allowing us to embed sustainability across our portfolio with a focus on long-term planning, emission disclosures, and reduction targets. Ultimately, we believe this approach fosters resilience and maximises value creation

4.4.1 Net Zero alignment and climate value creation

CVC DIF commitments

We are proud to uphold our commitments to climate action are the Paris Agreement, and the Net Zero Asset Managers (NZAM) initiative. These commitments guide our actions and allow us to align with global standards for sustainability and climate action.

We measure our progress on Net Zero using NZIF. Seven core KPIs are used: commitment to a long-term goal of achieving Net Zero by 2050; establishment of short- and medium-term targets across Scope 1, 2, and material Scope 3 emissions in line with a Net Zero pathway; measuring Scope 1, 2, and material Scope 3 emissions; assignment of governance and management responsibility for the decarbonisation plan; development of a quantified decarbonisation plan; evaluation of emissions performance relative to a Net Zero benchmark or pathway; and alignment of emissions intensity with the 2050 sectoral or regional pathway.

Performance on the individual criteria above determines whether an investment is rated as committed to aligning, aligning to Net Zero, aligned to Net Zero, or performing at the level of Net Zero as per NZIF. Investments may also be classified as “Aligned”, if their GHG emissions are aligned with, or below, a recognised sectoral decarbonisation pathway.

Criteria	Committed to aligning	Aligning to a net zero pathway	Aligned to a net zero pathway	Achieving net zero
Emissions intensity required by 2050 sector/regional pathway				✓
Emissions performance relative to a net zero benchmark/pathway			✓	✓
Development of a quantified decarbonization plan			✓	✓
Governance & management responsibility for decarbonization plan		✓	✓	✓
Disclosure of scope 1, 2, and material scope 3 emissions		✓	✓	✓
Short- and medium-term targets in line with a net zero pathway		✓	✓	✓
Long term goal of achieving net zero by 2050	✓	✓	✓	✓

We have developed a comprehensive Net Zero master plan that assigns each investment a status reflecting the appropriate engagement strategy relating to decarbonisation. This status informs our tailored approach, which ranges from active collaboration to encouraging portfolio companies to lead their own decarbonisation efforts. The plan is implemented by our investment teams in close coordination with the sustainability team.

Fund Heads play a pivotal role in identifying which investments should be prioritised for decarbonisation and determining the appropriate engagement strategy. Key considerations include the contribution to total AUM, expected financial benefits from decarbonisation, preparedness of the sector for decarbonisation, influence of market competition, potential to apply decarbonisation strategies across other portfolio companies, availability of sustainability-linked loans or other fund/investment-specific incentives, and additional considerations pertinent to each investment.

For example, within one of our CIF funds, we are actively engaging on decarbonisation with around ten investments. Two investments in this Fund at the time of writing are currently not pursuing decarbonisation in line with the 1.5 degrees scenario[15], as we believe it is not appropriate at this stage to push for decarbonisation based on certain constraints these investments face and the business environment in which they operate.

15. This does not imply that decarbonisation efforts are entirely absent. Rather, it means we are not requesting these companies to actively pursue decarbonisation in accordance with the NZIF 2.0 criteria for alignment with Net Zero.

4.4.1 Net Zero alignment and climate value creation

"As a manager, we have a duty to drive change, and we see that as an opportunity. We firmly believe that strengthening digitalisation, climate resiliency, and bringing businesses on a path to Net Zero creates long-term sustainable value. If you want to sell a business in 2030 at good value, it will be inconceivable for it not to be climate-resilient or future-proofed. We believe, as infrastructure investors, that it creates value to bring our portfolio companies onto this track by the time we divest."

Willem Jansonius
Head of DIF Value-Add Funds

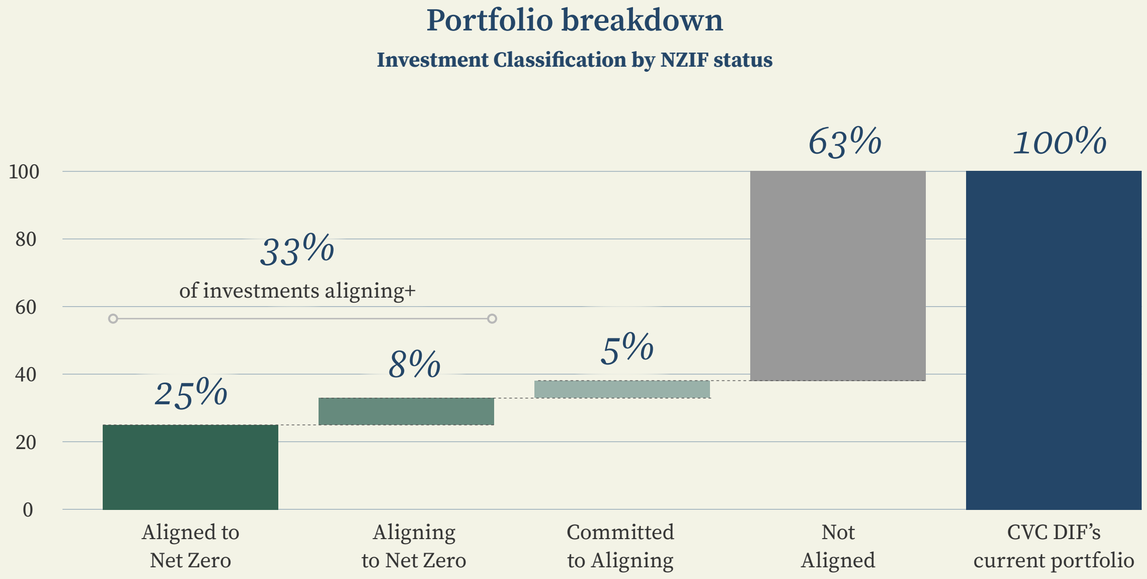


Figure 8, Overview of NZIF portfolio alignment

NZIF Alignment

The number of companies classified as aligning or above – including aligning to Net Zero, aligned to Net Zero and achieving Net Zero (aligning+) – has increased from 12 to 17 (+42%) on a on a comparable basis[16], reflecting tangible progress in engaging portfolio companies on their Net Zero trajectories. The percentage of total AUM classified as aligning+ has increased modestly – from 31% to 33% (+2 percentage points).

The increase in AUM aligning+ is modest compared to the number of companies due to shifts in portfolio composition and the divestment of an aligning+ company:

- The relative AUM share of companies that were aligning+ both in 2023 and 2024 has declined – from 30% of total AUM in 2023 to 28% in 2024 due to new additions in the portfolio. In other words, companies that remained aligning+ across both years now represent a smaller portion of the total portfolio – making up 30% of AUM in 2023, but only 28% in 2024.
- In addition, an aligning+ company was divested during the year, further reducing the AUM share.

Despite these shifts, the directional progress is clear: five additional companies were moved into the aligning+ category this year, and we increased our AUM alignment percentage. This reflects the efforts of portfolio companies—supported by the sustainability and investment teams—to decarbonise both their own operations and the broader ecosystems in which they operate.

16. One of our divested investments in 2024 was aligned to Net Zero. We have not considered this in the indicated increase to allow for a fair comparison.

4.4.1 Net Zero alignment and climate value creation

Climate solutions[17]

Whilst we do not have specific targets for the share of climate solutions in our portfolio, our investment choices and areas where we foresee growth—i.e., attractive investable opportunities—happen to be strongly aligned with the definition of a climate solution. The proportion of climate solutions in our portfolio has remained stable year on year, with 47% of our investments currently directed towards climate solutions, compared to 49% in the previous year. This slight decline is primarily due to the divestment of certain renewable assets and is not considered indicative of a broader downward trend.

This overall stability reflects the strong business case for investments that will be resilient to the energy transition, whilst also mitigating climate change and promoting environmental sustainability. Notably, our investments have enabled the generation of over 5,000 GWh of renewable energy and the installation of more than 12,000 electric vehicle chargers in 2024—both significant contributions to our climate solutions portfolio.

Our approach to climate scenario analysis

To ensure we are comprehensively assessing the potential impact of climate change on our investments, our approach to scenario analysis considered our exposure and resilience to current and potential future climate-related risks and opportunities that could emerge as a result of future changes in the physical climate (e.g., heatwaves, flooding, storms, and cyclones) and the transition to a lower-carbon economy.

We assessed the identified climate-related risks and opportunities using globally recognised scenarios aligned with TCFD guidance and reflective of our investment horizons[18]. These scenarios explore a range of plausible outcomes – from rapid shifts to a low-carbon economy to the continuation of current policies, as well as varying levels of physical climate risk – to evaluate our strategic resilience across both transition and physical dimensions. This involved collecting climate scenario data across the countries and regions where our investments operate.

By combining considerations of exposure and resilience with the key climate trends extracted from the scenario data, we assessed the degree of change in risks and opportunities that our portfolio might face under different scenarios. We classified this change using a five-tier scale[19].

Within our scenario analysis, climate-related risks and opportunities were assessed across a wide range of future time horizons, spanning from 2030 to 2050. A time horizon of particular focus during this assessment was 2035, due to its relevance to the average holding period of our investments. This approach has provided us with valuable insights into the timing of the most significant impacts associated with each of the identified risks and opportunities in the short-, medium-, and long-term future.

17. The following types of investments were considered as climate solutions based on a proprietary methodology defined with the support of ERM which considered investments' potential alignment under the EU Taxonomy framework for the climate change mitigation objective: renewable power utilities (hydro, wind, solar, geothermal); energy storage; renewable fuels of biological and non-biological origin; electric vehicles; energy efficiency solutions providers; and district heating systems with over 50% of renewable heat. Note that this assessment is not meant to demonstrate alignment with EU Taxonomy requirements, but it is used as an indication of CVC DIF's portfolios' positive contribution to climate change mitigation. To be classified as climate solutions, investments needed to demonstrate more than 75% alignment of their activities (by Capex, OpEx or Revenues) to the climate mitigation objective.
18. Physical scenarios: SSP1-2.6 (low-carbon scenario), SSP5–8.5 (high-carbon scenario) Transition scenarios: NGFS Net Zero 2050 and IEA Net Zero 2050 (low-carbon scenarios), NGFS Current Policies and IEA Stated Policies scenario (high-carbon scenario).
19. Minimal Change, Low Change, Moderate Change, High Change, and Very High Change.

4.4.2 Summary of climate-related risks and opportunities

The figure on the following page summarises the total future projected change in transition and physical risks and opportunities across each of the key sectors associated with CVC DIF's portfolio of investments. Results are presented for the 2035 time horizon[20] and the transition and physical climate scenarios that were recognised as posing the highest level of risk to our business (this is the Net Zero 2050 scenario and SSP5-8.5 scenario for transition and physical risks, respectively).

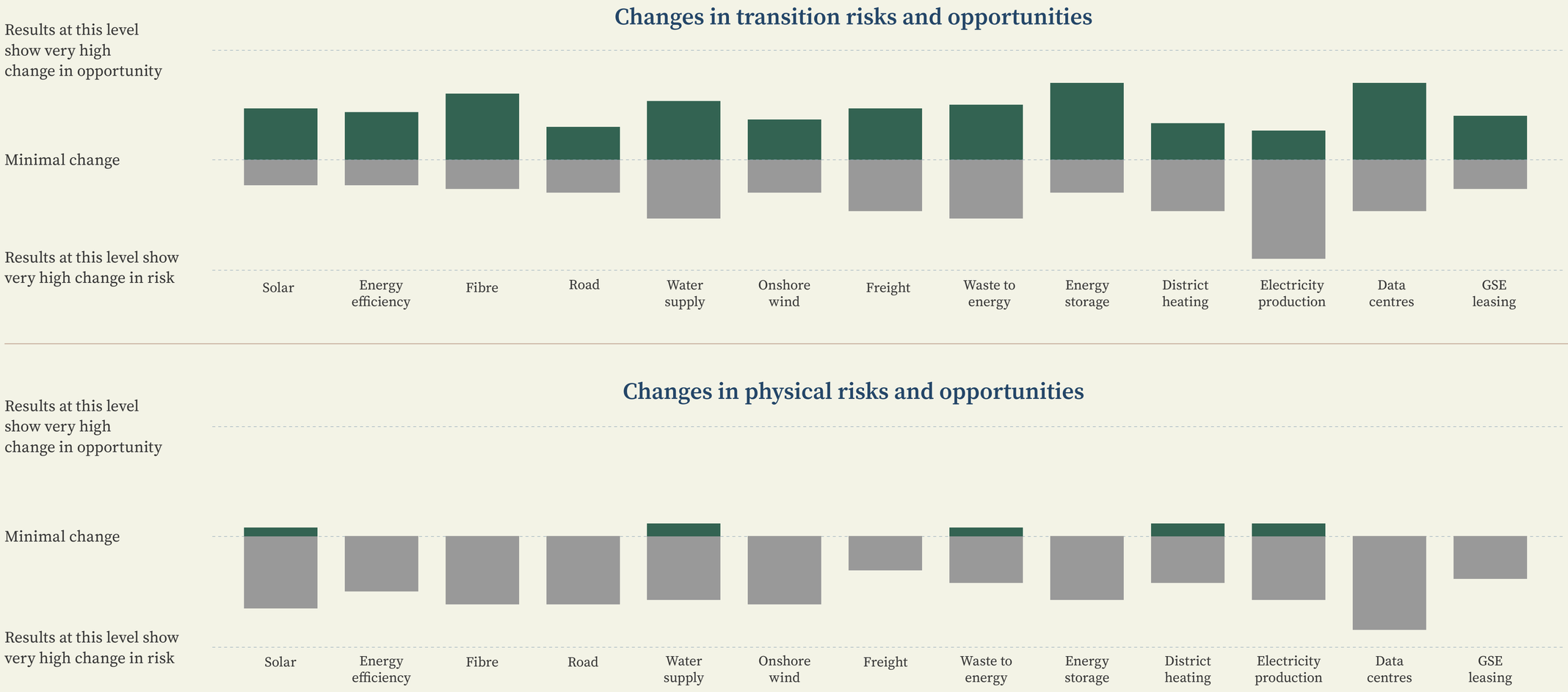
Across the portfolio[21], CVC DIF is projected to experience, on average, a high change in transition opportunities. In particular, the energy storage systems, data centres, and fibre sectors are projected to experience a very high change in opportunity by 2035. While some physical climate-related opportunities have been identified, these are expected to remain relatively stable through.

Conversely, the portfolio is projected to experience moderate overall changes in both transition and physical climate risks. The transition to a low-carbon economy is expected to drive a material increase in risk exposure for the thermal electricity sector if not properly mitigated, while data centres are projected to face the most pronounced increase in physical climate risks.

Climate-related risks and opportunities vary across subsectors and are somewhat more pronounced in several sectors aligned with our Value-Add strategy—such as fibre, data centres, and Ground Support Equipment (GSE) leasing—which show higher projected changes in both transition and physical dimensions. In contrast, many DIF strategy sectors—such as solar, energy efficiency, roads, and water supply—tend to show more moderate changes. These differences reflect the distinct characteristics of the Value-Add and Core+ strategies and reinforce the importance of applying a consistent, robust climate risk and opportunity assessment framework across all investments.

20. The 2035 time horizon was chosen with reference to the typical holding periods associated with CVC DIF's investments.
21. The portfolio referenced here reflects the subset assessed for climate risk. The selected subsectors are broadly representative of CVC DIF's overall portfolio, based on their share of total FMV, coverage across all CVC DIF funds, and relative exposure to physical and transition risks and opportunities. This analysis covers over 80% of the portfolio's total FMV.

4.4.2 Summary of climate-related risks and opportunities



22. The subsector classification used in this graph differs from our standard categorisation. It has been adapted to maximise AUM coverage and better reflect the specific climate-related risks and opportunities relevant to each subsector.

Figure 9, Summary of the climate risk assessment results across the portfolio[22]

4.5 Supporting our portfolio companies in navigating physical and transition risk

In today's rapidly evolving environmental landscape, we are facing both the challenge of managing physical climate risks and navigating the transition to a low-carbon economy. These challanges can significantly impact the operational and financial performance of our portfolio companies, making it an imperative for CVC DIF and other investors to adopt comprehensive strategies that address both aspects.

At CVC DIF, we prioritise resilience, as it is particularly important in infrastructure. This is why CVC DIF encourages portfolio companies to enhance their resilience through targeted sustainability action plans and continuous engagement. By focusing on resilience, we encourage our investments to be better prepared to withstand and adapt to various challenges, ultimately contributing to long-term sustainable value for all stakeholders.

Physical climate risk refers to the direct impact of climate-related events such as extreme weather, rising sea levels, and temperature fluctuations. These events can disrupt operations, damage assets, and increase maintenance costs. To mitigate these risks, portfolio companies are encouraged to enhance their resilience through adaptive infrastructure, robust emergency response plans, and proactive risk management practices.

Transition climate risk involves the financial and operational challenges associated with shifting towards sustainable practices and complying with evolving regulations. This includes transitioning to renewable energy sources, reducing greenhouse gas emissions, and adopting sustainable business models. Asset managers play a crucial role in supporting portfolio companies through this transition by providing strategic guidance, facilitating access to green technologies, and encouraging the adoption of best practices in sustainability.

By integrating these strategies into the investment cycle, infrastructure managers can help their portfolio companies not only survive but thrive in the face of climate-related challenges. This proactive approach drives long-term value creation, enhances resilience, and positions companies as leaders in their sectors.

4.5.1 Climate risks and opportunities across our portfolio

We recognise the need to comprehensively consider the different physical and transition risks and opportunities that could impact the value of the Funds' investments both today and in the future. As a result, this year we have undertaken an updated Climate Scenario Analysis (CSA) across the portfolio in order to understand the presence and significance of climate-related risk and opportunity. It has also allowed us to identify how and where we are actively managing these issues for specific investments as well as across the portfolio. We have conducted this portfolio analysis externally to allow for an objective and more detailed analysis.

We have established KPIs that cover specific procedures and practices for managing climate-related risks and opportunities at the investment level. We monitor whether investments have assessed physical and transition risks, implemented appropriate mitigations for identified risks, engaged insurance providers to reduce fees, and established ongoing processes to identify climate-related opportunities. For more information, please refer to the TCFD Annex.

4.5.2 ib vogt: Climate resilience - navigating physical and transition risks

Industry: Renewable Energy
Location: Global
Fund: DIF VI
Acquisition Year: 2022

Climate change is the biggest environmental challenge we are facing globally today. Despite it bringing major opportunities in terms of business growth in the renewables sector, climate change also poses a very real risk to solar park sites and operations. The increased frequency of extreme weather events such as storms and floods can cause significant damage to electrical components and civil works, increasing the technical complexity of projects. Companies in this sector must adapt and embrace innovation to build their resilience.

Background

ib vogt's ambitious goal is to power the green energy transition. Their diverse portfolio reflects their adaptability, but they face increasing challenges due to extreme weather affecting solar parks. To tackle these challenges, ib vogt has developed and embraced innovative technologies to identify risks such as potential flood risk, provide early-stage valuable insights, and make data-driven decisions.

Risk identification

In 2023, ib vogt's engineering department developed an internal risk assessment strategy to identify and assess location-specific risks, including complex terrain, unstable ground conditions, weather and flood risk. The team developed robust, data-driven decision-making tools for assessing solar project risk. They quantify potential complexities using desk-based and field data, including terrain analysis, geotechnical and corrosion data, hydrogeology data, and structural design. The output risk classification identifies complexities which could hinder development or impact design, construction timelines, and cost. This informs decision-making, enables efficient information sharing, optimal resource allocation and can improve cost estimation accuracy. As environmental considerations continue to gain prominence, ib vogt's early investment in developing innovative tools positions the company as a leading utility-scale solar development platform.

To complement this, CVC DIF will encourage utilisation of training materials to ensure everyone at ib vogt has a good level of understanding of physical risks to support value protection.

Virtual reality

Alongside the risk assessment, the engineering team at ib vogt continues to develop other innovative workflows. Using detailed 3D models, they created a virtual reality site modelling tool that offers dynamic visualisations of future projects. This cutting-edge tool helps reduce the need for travel to remote sites — saving time and reducing emissions, as well as providing early-stage insights to inform development decisions. Integration with augmented reality also allows for dynamic on-site project visualisations, whilst site optimisation processes enable the maximisation of energy yield and identification of CO_2 savings that promote efficient use of land versus output.

Next steps

ib vogt has skilfully adapted to new challenges born from increased extreme weather events due to climate change. By wielding innovative technologies, ib vogt has developed advanced tools that help them identify risks, make data-driven decisions, and reduce the need for travel to solar sites. These innovations also help them expand their business opportunities. By addressing potential flood risks, changes can be made so that solar farms can remain operational during periods of high-water level and even open new regions up to solar projects such as the Vloeivelden Solar Farm in the Netherlands. ib vogt will continue using and improving these technologies to increase their climate resilience.

4.6 Maintaining workplaces that promote the safety of the workforce

Our commitment to promoting safety best practices within the portfolio is a focus area in our sustainability strategy. By prioritising workplace safety, we encourage our investments to protect their employees and contractors, enhance operational efficiency, and contribute to a positive organisational culture.

Monitoring work-related injuries and fatalities within our portfolio is a critical component of our approach. We encourage our portfolio companies to have robust systems in place to track and internally report incidents accurately. As our investments continuously analyse this data, they can identify trends, assess risk factors, and implement targeted interventions to reduce the occurrence of injuries and fatalities. This approach helps them to create safer work environments and minimises disruptions caused by accidents.

Health and safety training is another area where we encourage our portfolio companies to focus their efforts. We use the SEP to monitor the average health and safety training hours per employee and contractor, aiming to see continuous improvement over the years.

When safety training is provided, investments involved in the SEP for less than 3 years show an average of 3 hours of safety training per FTE[23]. For investments involved for more than 6 years, this increases to 14 hours[24], showing clear improvement.

Average hours of training per bundle of investments

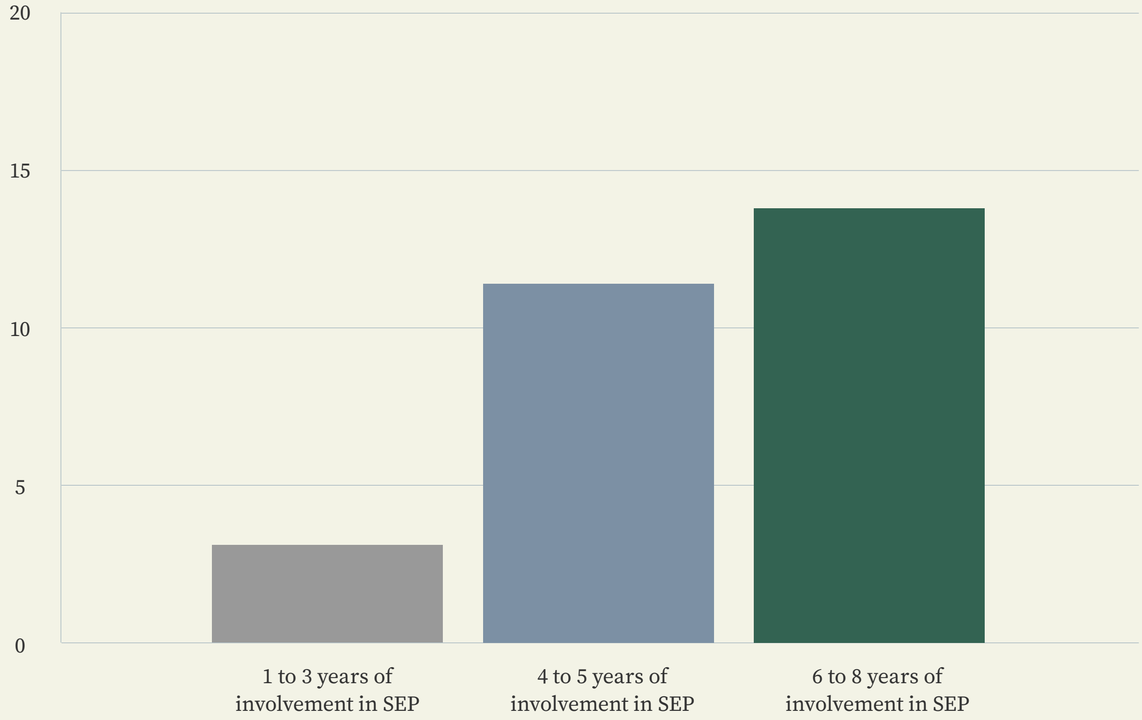


Figure 10, Average hours of safety training per time engaged in SEP [25]

23. 30 companies considered
24. 10 companies considered
25. The figure presents results for investments where data on total hours of safety training provided and total FTE was available at the time of writing this report. This means that actual figures may deviate as more data is reported and validated over time.

4.7 Promoting inclusive workplaces that successfully manage talent

We have seen a notable increase in the representation of women on the boards of our portfolio companies.

Companies with formal diversity policies have shown significant progress, with 7% more women on the board in companies with diversity policies than those without.

This demonstrates the positive impact of structured diversity initiatives on leadership representation.

Number of investments with a diversity policy in place

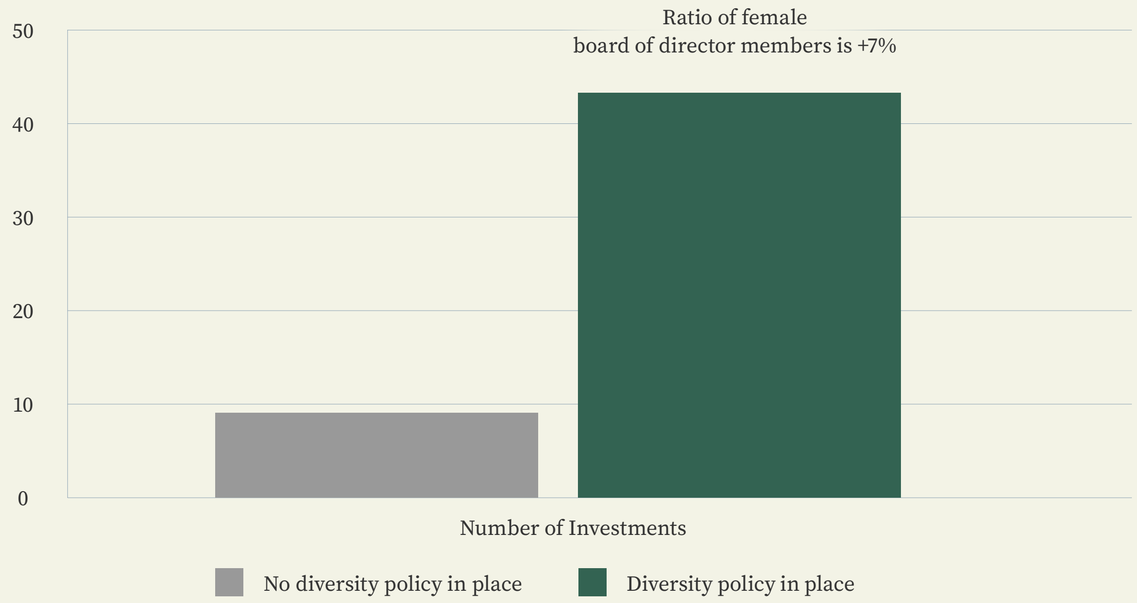


Figure 11, Number of investments with a diversity policy in place[26]

Our focus on promoting inclusive workplaces within the portfolio is expected to support employee retention. Fostering a culture of acceptance may help employees feel respected, valued, and engaged, which in turn can support lower turnover and improved talent attraction across our portfolio companies.

We believe that a strong organisational culture is the foundation of effective talent management. By promoting inclusive practices, we help our portfolio companies build environments where all employees can thrive. This includes:

- Inclusive Leadership: Encouraging diverse leadership teams that bring varied perspectives and drive innovation.
- Employee Engagement: Fostering open communication and collaboration to ensure that all voices are heard and valued.
- Professional Development: Supporting continuous learning and development opportunities to help employees grow and advance in their careers.

To help our portfolio companies not only work towards achieving better diversity statistics but also create workplaces where talent is effectively managed and nurtured, we encourage the inclusion of these principles in sustainability action plans.

26. Figure presents results for investments where data on board composition and diversity policy was available at the time of writing this report. This means that actual figures may deviate as more data is reported and validated over time.

4.8 Developing responsible, ethical supply chains and managing supply chain impacts delivers value

CVC DIF realises the value to a business of responsible, ethical supply chains and the impact a supply chain can have on the communities it touches.

Our DMA confirmed that most of our current strategic focus areas for the portfolio align with the most material topics identified across the portfolio. However, it also identified the supply chain of portfolio companies, a material area not yet addressed, as a key focus area, highlighting an opportunity to strengthen our strategy at portfolio-level.

During 2024, therefore, one of the key governance actions in our sustainability action plans was supporting portfolio companies to implement a Supplier Code of Conduct (CoC).

Share of companies with a supplier code of conduct implemented

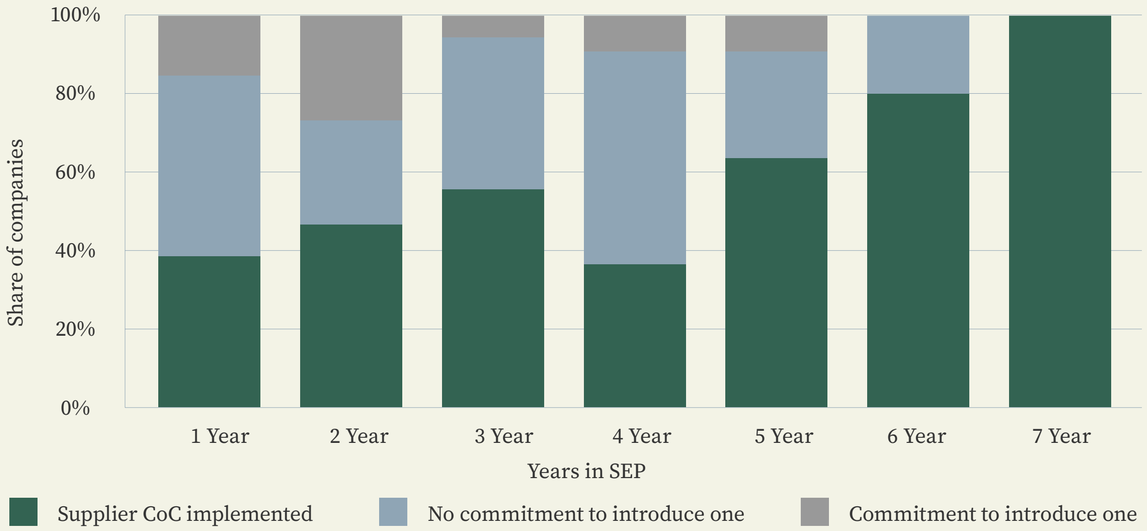


Figure 12, 2024 Investments commitments on Supplier Code of Conduct by time of engagement in SEP

This year, 25% of our investments, which previously did not have a supplier CoC, are now committed to establishing one. This commitment demonstrates how our active focus on promoting best practices throughout our investments' supply chains led to real improvements.

Our investments are designed to generate financial returns while also creating meaningful value for the communities in which they operate. Strong community engagement is crucial for achieving this balance. By fostering relationships with local stakeholders and supporting community initiatives, we support our portfolio companies to contribute positively to societal wellbeing. This includes investing in local development projects, encouraging environmentally sustainable practices, and promoting inclusive growth that supports economic inclusion and provides opportunities for underrepresented groups.

By way of example, one of our investment commits to sponsoring employees' involvement in charities and NGOs by paying subscription fees and opening up wider employee access to volunteering and participation. Another showcased exemplary community engagement by collaborating with educational institutions, local government, and professional development groups and hosting annual charity events like a golf tournament to support local causes. By doing so, they are promoting their reputation through engaging local communities and strengthening relationships with and between the people around them.

Our commitment to promoting responsible practices in the portfolio extends to rigorous governance standards. By engaging with portfolio companies to implement Supplier Codes of Conduct, we provide the appropriate foundation for our portfolio companies to maintain ethical sourcing practices and contribute to sustainable supply chains. We regularly assess compliance with these codes through our SEP, encouraging continuous improvement in governance practices to enhance overall supply chain responsibility.

4.8.1 Valoo: Bridging the digital divide with a cleaner footprint

Industry: Telecommunication Infrastructure - FTTH
Fund: CIF I and CIF III
Location: Finland
Acquisition Year: 2019 (CIF I), 2023 (CIF III

In today's modern information society, high-speed data connections form the backbone of almost every aspect of our lives. From ensuring national competitiveness to facilitating education and digital services, fibre connectivity is critical to staying relevant in a rapidly digitising global economy. However, Finland has lagged behind other Nordic countries in fibre deployment, slowing the country's digital transformation. Fibre networks must be built in a sustainable way to maintain Finland's position in our modern world, with long-term environmental and social considerations at the forefront.

SEP annual questionnaire score attained by Valoo since inception

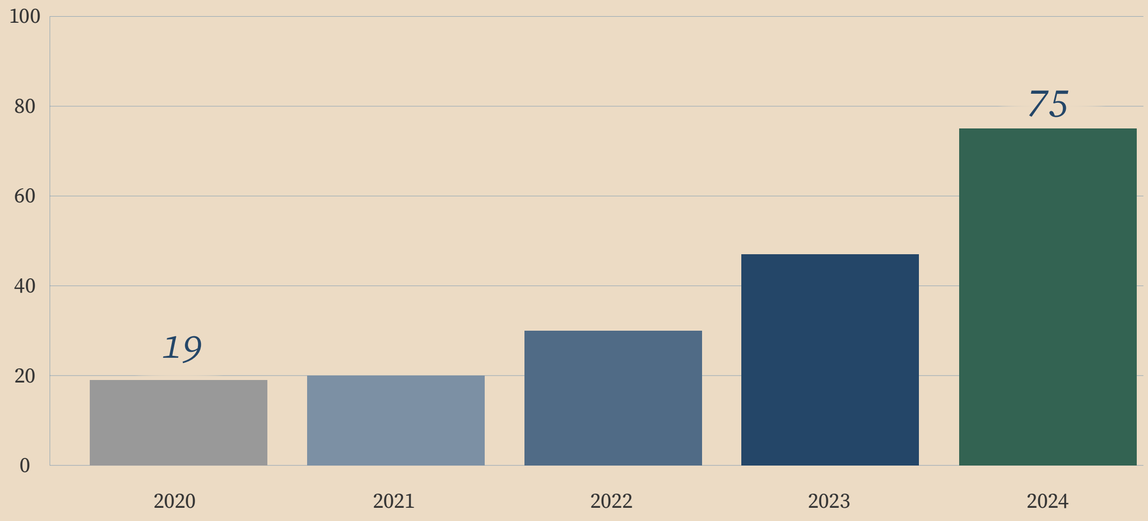


Figure 13, SEP score Valoo per year of SEP participation

Background

Valoo's ethos is to connect the unconnected. With the backing of CVC DIF, Valoo is scaling its fibre rollout on a foundation of strong sustainability principles, supporting the development of Finland's digital infrastructure while embedding sustainability into national connectivity efforts. Valoo has participated in CVC DIF's Sustainability Engagement Programme for four years and is now taking its first steps towards Net Zero, having developed a plan that includes short- and medium-term emission reduction targets. The company will prioritise reducing emissions within its own operations, with carbon removal reserved for residual emissions.

4.8.1 Valoo: Bridging the digital divide with a cleaner footprint - continued

Industry: Telecommunication Infrastructure - FTTH
Location: Finland
Fund: CIF I and CIF III
Acquisition Year: 2019 (CIF I), 2023 (CIF III

"Valoo is committed to promoting social equity in all its operations both internally and towards its subcontractor network. Valoo enforces strict governance by promoting fair play in its business conduct in general and by avoiding risks associated with moral hazards and by preventing corruption."

Vesa Kemppainen
CEO, Valoo

Robust sustainability governance

Valoo integrated sustainability into procurement, installation, and operations early in its development. With backing from CVC DIF, it established a clear sustainability governance structure, including board-level oversight and internal roles dedicated to sustainability. Core policies such as a Code of Conduct, sustainability policy, and occupational health and safety guidelines set expectations for both employees and subcontractors. By integrating sustainability governance its early stages, Valoo laid the foundation for long-term sustainability outcomes.

NZIF

CVC DIF has supported Valoo to complete their mission in a way that is as responsible as possible by decarbonising while growing. As a result, Valoo is now aligning with the NZIF. In 2024, Valoo conducted a comprehensive GHG inventory and committed to setting science-based emission reduction targets. Recognising that the vast majority of emissions stem from subcontracted fibre construction, the company began tracking subcontractor emissions with the goal of encouraging best practices and prioritising low-emission partners. This governance framework enables Valoo to embed environmental and social standards across its value chain and scale responsibly.

CVC DIF supports sustainability efforts more broadly. Notably, there is a positive correlation between the time spent on SEP and overall score improvement, which is very visible for Valoo too.

Next steps

CVC DIF will continue to support Valoo in their mission and support them to adopt more ambitious, measurable goals that will enable them to continue connecting homes while mitigating their environmental impact.

Fibre day

In December 2024, the CEOs of CVC DIF's fibre portfolio companies, including the CEO of Valoo, participated in the annual CEO Sustainability Workshop at the Fibre Day, hosted by CVC DIF. A dedicated session on decarbonisation was delivered by CVC DIF's sustainability team, in collaboration with sustainability experts from ERM.

During the workshop, the CEOs acknowledged the challenges of engaging suppliers and gathering data, particularly with small- and medium-sized enterprises or family-run businesses. These suppliers typically have lower awareness of sustainability issues, and the growth of their businesses further adds to the complexity. However, there was a clear motivation to do things right and prepare for the upcoming requirements from financiers, supply chain partners, governments, and other key stakeholders. The attendees agreed that prioritisation, actionable plans, and a programmatic approach are key to success. The workshop fostered good connections among leaders in the fibre sector within the CVC DIF portfolio, enabling them to share challenges related to decarbonisation and collaboratively plan for the future.

4.9 Driving accountability, robust governance, and transparency

Under our responsible business conduct focus area, we encourage portfolio companies to foster accountability and promote robust governance and transparency. Our engagement approach first focuses on encouraging portfolio companies to implement foundational sustainability practices before shifting to continuous improvement. In doing so, we aim to progressively encourage our investments to adhere to the highest standards of ethical and responsible management.

Upon joining the SEP, we advise companies to prioritise foundational practices—starting with, amongst others, regular sustainability reporting to their board. While this governance best practice may not have been established at acquisition, we encourage early adoption to embed sustainability into decision-making.

We observe a positive correlation between SEP tenure and the frequency of such discussions, suggesting that our engagement on this topic is likely contributing to positive developments.

Board-level sustainability engagement increases with SEP tenure. In the first year, no company discussed sustainability four or more times, whereas after three years, over 60% consistently did so.

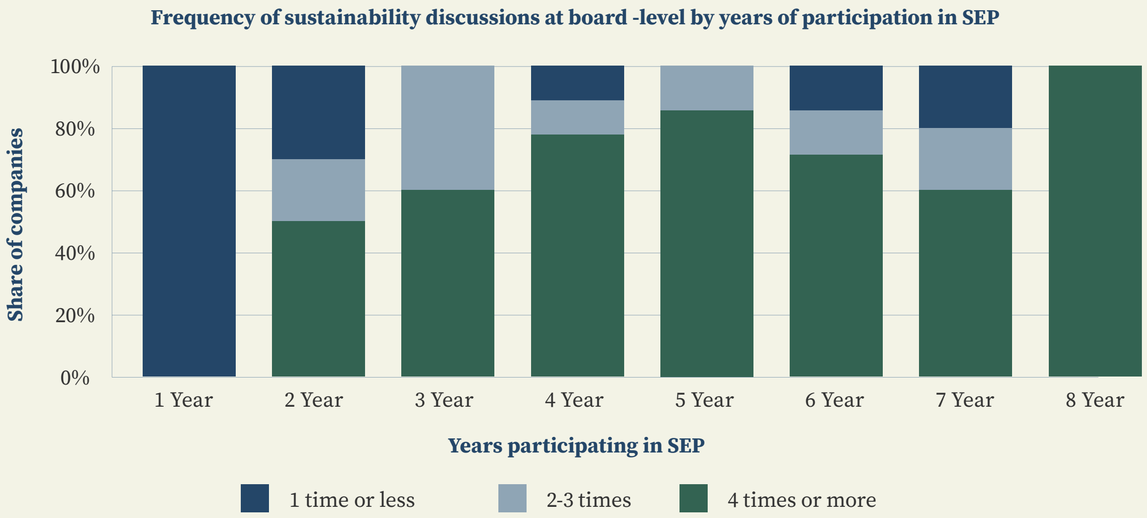


Figure 14, Increased tenure in SEP correlates with more frequent board-level sustainability discussions

While the overall trend indicates an increase in frequent board-level engagement over time, year-on-year fluctuations—such as the higher frequency observed in year 3 compared to year 7—may reflect differences in the materiality of sustainability topics across companies. This variation is expected, given sectoral and operational differences, and reflects our tailored, pragmatic approach to responsible investment.

The pattern of more frequent board-level sustainability discussions aligns with our efforts to promote assigning specific board responsibility for decarbonisation—an NZIF alignment criterion—and is evident in both the share of AUM and number of companies with such oversight in place.

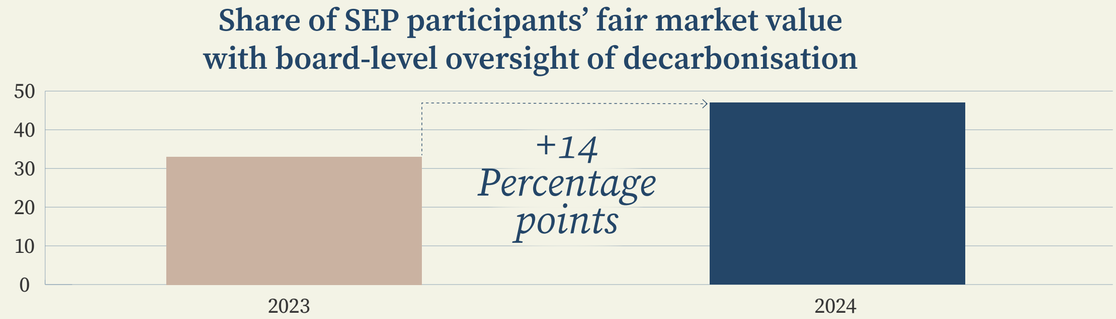


Figure 15, Share of fair market value represented by companies in SEP assigning board responsibility for net zero and decarbonisation

In 2023, 33% of AUM by fair market value (22% of participants) had formally assigned board responsibility for Net Zero and decarbonisation. By 2024, this rose to 47% (29% of participants) — a 14-percentage-point increase — which demonstrates strengthened climate governance across the portfolio.

As our investments mature, we encourage them to focus on continued improvement practices such as policy formalisation. This involves developing and implementing comprehensive policies that address key areas of governance and ethics. For example, establishing an ethics policy sets clear guidelines for ethical behaviour and decision-making within the organisation. Similarly, implementing a health and safety reporting system enables workplace safety to be monitored and managed rigorously, protecting the wellbeing of employees and contractors.

Our commitment to robust governance and transparency is reflected in our proactive approach to policy development and implementation. By encouraging portfolio companies to formalise these policies, we encourage them to operate with integrity and accountability, fostering a culture of trust and responsibility. This approach not only intends to enhances the governance standards of our investments but also contributes to their long-term success and resilience.

05 Sustainability governance

5.1 Sustainability governance

At CVC DIF, our governance structure is aligned with our strategic objectives, risk appetite, and commitment to sustainable value creation, with clear accountability outlined for senior management, board committees, and relevant stakeholders.

CVC DIF's ExCo has formal oversight and responsibility for both the firm's and Funds' sustainability strategies. Our Supervisory Board oversees and monitors the implementation of the company's investment and operational strategy as set out by the ExCo and, to the extent relevant, set out in the Fund Agreements. It monitors the adequacy of internal procedures and assesses and periodically reviews the effectiveness of senior management, the policies, arrangements, and procedures put in place to comply with the obligations pursuant to the Alternative Investment Fund Managers Directive (AIFMD) and other applicable legislation and regulations.

Climate-related risks and opportunities are governed through the same structures and processes as other material sustainability risks, in line with TCFD. For example, our 2025 Risk Management Policy includes "sustainability risk" as a key category within the section on "CVC DIF's approach to managing risk," with "climate risk" explicitly identified as a specific component of that category . The board and relevant committees are informed through regular reporting, while the investment and sustainability teams assess and manage climate-related risks within our established governance and decision-making framework[27]. In addition, climate-related risks & opportunities are discussed, when material, during periodic investment monitoring calls.

Figure 16, Sustainability governance

27. Note: Investment Committee included in tables following, but not in this diagram as it refers to fund governance, rather than manager governance

5.1 Sustainability governance

Executive Committee

Key members: (Deputy) Head of CVC DIF, Chief Investment Officer (CIO), Chief Risk Officer (CRO), and Chief Financial Officer (CFO)

The Executive Committee is responsible for achieving CVC DIF's objectives, including oversight of daily operations. The committee monitors the adequacy of all policies and internal procedures, including the Responsible Investment Policy, and executes investment strategies for each Fund where relevant and as indicated in the respective Fund Agreement. The committee meets weekly.

Risk & Compliance Committee

Key members: (Deputy) Head of CVC DIF, CIO, CRO, and CFO

The Risk & Compliance Committee oversees the implementation of the Risk Management and Compliance frameworks, CVC DIF's risk profile, and risk appetite statement. The Committee maintains CVC DIF's risk and compliance framework and is also responsible for ensuring any sustainability- and climate-related risks to CVC DIF are identified, assessed, and monitored. The committee meets quarterly.

Sustainability Committee

Key members: (Deputy) Head of CVC DIF, CIO, CRO, CFO, Head of Sustainability, and other selected partners

The Sustainability Committee is responsible for considering sustainability matters, overseeing all responsible investment matters and providing relevant advice to each of CVC DIF's business areas. The Committee also sets CVC DIF's sustainability objectives, targets, and KPIs for CVC DIF staff and monitors related training. The Committee meets at least quarterly or more frequently if needed. The Sustainability Committee also determines whether an investment can proceed in cases where it likely cannot align to the NZIF before 2030 or does not meet the desired sustainability profile of a fund.

Investment Committee(s) (IC)

Key members: Head of CVC DIF, CIO, CRO, and other selected members

An IC evaluates any financial commitments at the Fund level, which may include new investment proposals, follow-on investments, and proposals to sell investments. The IC proposal specifically includes a dedicated sustainability section, which covers considerations and findings of relevant sustainability-related risks and opportunities and evaluates associated risks and mitigations.

Portfolio Performance Committee(s) (PPC)

Key members: CIO, (Deputy) Head of CVC DIF, CRO, Fund Head, Head of Value Creation, CFO, Head of Divestments, and other selected partners

The PPCs provide multidisciplinary governance for overall fund performance and objectives, and the impact of large and complex investments on the funds. The Committees monitor fund portfolio composition, divestment planning, key investment performance, and may discuss climate-related risks and opportunities if they are deemed material to the fund. This may include divestment strategies and strategic reorientation of investments that do not align with Net Zero targets. The committees meet quarterly. In addition, climate-related risks & opportunities are discussed, when material, during periodic investment monitoring calls.

5.1.1 Sustainability team positioning

Our dedicated sustainability team is responsible for developing the sustainability strategy and the responsible investment (RI) strategy. This includes developing tools and procedures for the optimisation of RI processes, focusing on value creation from a sustainability perspective, proposing updates to the sustainability strategy and RI Policy to the Sustainability Committee, assisting other teams with sustainability-related topics, monitoring and reporting of sustainability performance of the portfolio to (internal) stakeholders, and acting as sustainability and responsible investment advocates internally and externally. The sustainability team reports directly to the Deputy Head of CVC DIF with a dotted line to the CRO, reflecting the critical importance of sustainability-related considerations across all layers of our firm and throughout our strategic decision-making, including at the highest levels of our organisation.

To enhance the breadth and depth of our sustainability initiatives, the sustainability team receives specialised support from various departments. Notably, a Compliance Officer, Regulatory Advisor, Legal Advisor, Health and Safety Officer, and Charity Manager contribute their expertise and insights to the team, dedicating time in their working weeks to sustainability-related activities.

At CVC DIF, we aim to align our sustainability and responsible investment strategy with long-term value creation. By focusing on risk reduction and value enhancement, we aim to integrate sustainability into our financial performance. Our approach is designed to remain relevant amid geopolitical and market shifts, and our long-term perspective fits the nature of infrastructure investing.

In the year ahead, CVC DIF will continue on this path, with the sustainability team playing a central role in strengthening our management of sustainability across the investment lifecycle.

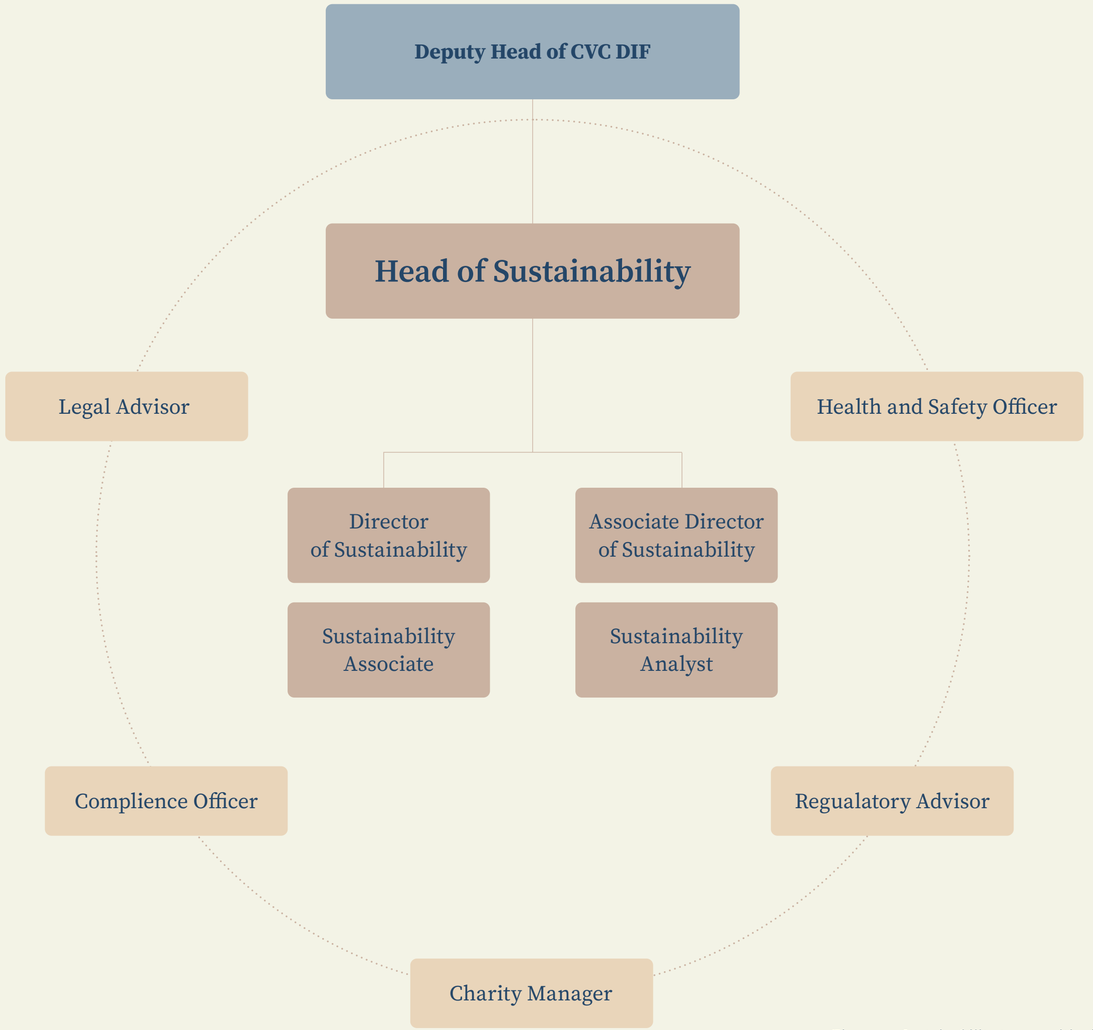


Figure 17, Sustainability team positioning

06

TCFD Annex

TCFD Annex

6.1 Governance

Refer to section:

- *5 CVC DIF's Sustainability Governance*

6.2 Metrics and targets

Refer to sections:

- *3.2.1 Decarbonising our own operations*
- *3.3 Climate resilience*
- *3.3.1 Financed emissions metrics*

In addition to the sections above, please note the following. A wide variety of climate risk-related questions are tracked annually within our SEP. A selection of the questions we track include:

- Has the Asset/Project/Company experienced serious damages due to extreme natural/weather events in the last 5 years?
- Is there a process in place to assess the climate-related physical risks the Asset/Project/Company is exposed to?
- Have you put in place an action plan to mitigate risks and seize opportunities related to climate-related physical effects?
- Is there a process in place to assess the climate-related transition risk the Asset/Project/Company is exposed to?
- Have you put in place an action plan to mitigate risks and seize opportunities related to climate change-related transition risks?
- Have you discussed with insurance companies a set of climate change mitigation measures to be implemented in order to reduce insurance fees?
- Is there a process in place to assess the physical and transition climate-related opportunities the Asset/Project/Company is exposed to?

6.3 Strategy and risk management

The updated scenario analysis has helped us confirm and sharpen our understanding of the key risks and opportunities associated with the low-carbon transition for our business. These are primarily market-related, including increased costs of raw materials and energy, reduced access to favourable financing, and declining demand for high-emission energy sources in key markets. Policy and legal risks are also material, such as carbon pricing mechanisms, regulatory mandates on operations and products, and uncertainty around policy direction. In addition, material transition risks include technological risks—such as underperformance of new technologies and low returns on related investments—and reputational risks, including asset revaluation or stranding due to shifting customer expectations.

On the following pages are a full list of risks and opportunities associated with the low-carbon transition that are expected to have at least a moderate impact on our business, outlined according to the TCFD's climate transition risk and opportunity categories[28].

28. *TCFD Final Report, Section B Climate-Related Risks, Opportunities, and Financial Impacts*

6.3.1 Climate transition - Risks

Policy and legal risks

Carbon pricing mechanisms: As governments implement carbon pricing (e.g., CBAM), the cost of GHG emissions is expected to rise, increasing the cost of goods sold and potentially affecting pricing strategies and competitiveness.

Mandates on and regulation of existing operations and products: The low-carbon transition brings stricter regulations (e.g., performance standards for appliances and lighting), which may require costly upgrades to equipment and sourcing of alternative materials.

Uncertainty of policy direction: Shifting or unclear policy signals can lead to misaligned investments and hinder decarbonisation efforts, creating risks for business planning.

Management of policy and legal risk

At the pre-investment stage, policy and legal risks are assessed and factored into pricing—either in the base case or through sensitivity analysis. A Net Zero alignment feasibility assessment, in line with the NZIF, is conducted for every new investment. Where material, decarbonisation costs are evaluated during the investment decision process. Diversification by sector helps balance assets potentially exposed to regulatory tightening with those positioned to benefit from the low-carbon transition. Geographic diversification also plays a role, as regulatory regimes evolve on different timelines across jurisdictions.

During the holding period, CVC DIF actively monitors regulatory and policy developments, including through tier-1 asset discussions and board meetings. Investments in portfolio decarbonisation support further mitigation of these risks. Regulatory risk is also considered in contractual structuring where relevant; for example, in one of our funds' investments, we regularly assess the viability of carbon capture and storage (CCS) as part of ongoing risk management. We also engage in a range of industry associations—detailed in the body of this report—which help us stay informed and aligned with evolving policy landscapes.

Technology risks

Underperformance of transition-supporting new technologies: Technologies intended to support the low-carbon transition may experience lower-than-expected adoption or fail to perform as intended. Investments in such technologies could result in reduced revenues or stranded assets.

Cost and complexity of low-carbon technology implementation: Transitioning to low-carbon operations may require significant investment in new equipment, additional maintenance, workforce training, and talent acquisition. There is also a risk of underperformance, which could lead to financial loss if technologies don't perform as expected.

Management of technology risk

CVC DIF avoids exposure to unproven technologies by investing primarily in established, commercially established solutions. Our decarbonisation approach prioritises lower-risk technologies with a clear cost-benefit case. We actively monitor technological developments and assess their relevance at the investment stage, while diversification across mature, transition-supporting technologies helps mitigate risk. For example, we have invested in EV charging infrastructure in multiple markets, including Finland and France, where local teams provide insights to identify scalable, regionally viable opportunities. In the thermal energy sector, we similarly focus on proven technologies to avoid underperformance risk. While we track emerging trends, our strategy is to engage once technologies reach a high level of market and commercial readiness.

6.3.1 Climate transition - Risks (continued)

Market risks

Increased costs of raw materials: As the global economy moves towards Net Zero, the cost of raw materials—especially critical transition minerals like lithium, cobalt, and copper—is expected to rise, driven by increased demand, supply limitations, carbon pricing, and targeted taxation.

Increasing energy prices: The decarbonisation of energy systems is expected to result in shifting energy costs. Emissions-intensive fuels may face declining policy support and rising costs due to carbon pricing and phase-out measures. Meanwhile, short- to medium-term demand for alternatives, such as natural gas, may increase, driving temporary price volatility.

Reduced access to favourable financing conditions: Capital markets are increasingly favouring low-carbon investments. This shift may limit financing options or raise the cost of capital for emission-intensive assets, while offering more favourable terms to sustainable projects.

Decline in demand for high-emission energy sources in key markets: As climate policies tighten and clean energy adoption increases, demand for high-emission fuels (e.g., coal, oil) is expected to decline. However, short-term demand fluctuations may occur due to market shocks or geopolitical events.

Management of market risk

CVC DIF manages market risks through a combination of proactive decarbonisation, portfolio diversification, and integration of climate-related considerations into investment and financing decisions. Our approach includes, amongst others:

- Implementing decarbonisation strategies across the portfolio—such as renewable electricity procurement, energy efficiency improvements, low-carbon heating solutions, and selective fleet electrification—to reduce exposure to carbon-related cost pressures and support long-term value creation.
- Diversifying across sectors and technologies to balance exposure to transition risks while capturing low-carbon growth opportunities. Recent investment activity has had less exposure to high-emission sectors, such as coal and upstream oil and gas[29], in favour of renewables and transition-aligned infrastructure.
- Conducting due diligence on sustainability factors as a standard part of investment analysis. This informs whether energy transition-related factors are included in the base case or tested through sensitivity analysis. For example, one investment embedded energy market trends directly in its base case; another assumed a 20-year plant life aligned with national Net Zero targets, creating potential upside if policies shift.
- Evaluating decarbonisation costs and commercial resilience at the investment stage. Where material, transition risks identified through due diligence on sustainability factors may trigger further scrutiny or escalation. For certain sectors—such as midstream energy—revenue diversification strategies are actively explored, including carbon capture feasibility and future hydrogen integration.
- Leveraging internal sustainability and debt expertise to structure financing aligned with climate goals. This includes sustainability-linked instruments tied to decarbonisation KPIs, enhancing both capital access and alignment with Net Zero targets.

Reputation risks

Changing asset valuations or risk of stranding: Investments in assets vulnerable to becoming stranded—especially those with high carbon emissions—may attract scrutiny from stakeholders, regulators, and the public. Additionally, inadequate management or transparency around asset transition plans could amplify criticism and erode trust.

Management of reputation risk

The risk is managed through due diligence on sustainability factors, ensuring that any materials and investments unable to align with decarbonisation targets are escalated and approved by the Sustainability Committee. The portfolio is diversified across renewable and transition-aligned energy assets, with exclusions applied to high-risk sectors, including coal and upstream oil and gas. Regular internal valuation reviews help capture shifts in asset value, while ongoing diversification efforts and investments in decarbonisation enhance long-term resilience.

29. Part of our fund-specific exclusion lists for recent funds.

6.3.1 Climate transition - Opportunities

Resource efficiency

Supportive policy incentives: Governments are introducing supportive policy incentives to encourage organisations to adopt decarbonisation practices. While adopting new energy solutions can incur high initial costs, these policy incentives can help offset those expenses or reduce the operating costs associated with decarbonisation efforts, such as implementing renewable energy solutions. Another area with potential policies encouraging resource efficiency is water, where governments are likely to introduce increased regulation, driving up demand for investments in water infrastructure.

Increased demand for energy efficiency solutions: Energy efficiency is a crucial enabler of the low-carbon transition. The demand for energy efficiency solutions is expected to increase, along with the number and variety of solutions available. Offering these solutions could mean an increasing pool of potential customers, presenting an attractive business opportunity. CVC DIF actively targets investments that improve infrastructure energy efficiency, particularly in buildings, recognising efficiency as a major lever in reducing energy demand growth.

Use of recycling and circular practices: By implementing circularity initiatives, companies can close the loop on resource use, extending the life cycle of products and materials. The circularity approach reduces waste and fosters innovation in product design and manufacturing processes, leading to higher energy efficiency and lower material waste in the production method.

Energy source

Increased demand for renewable energy: Organisations face significant environmental and regulatory pressures to reduce emissions. The increasing availability of low-emission energy options, such as wind and solar, can reduce greenhouse gas (GHG) emissions, resulting in less GHG-intensive operations. This approach reduces sensitivity to changes in carbon pricing. CVC DIF has identified the energy transition as a core target sector, operating a dedicated renewables team since 2020. CVC DIF is driven by the belief that the power sector will catalyse emissions reductions across industries, buildings, and transport through renewable generation and electrification.

Need for grid flexibility and stable electricity supply: As renewable energy deployment accelerates, the intermittency of wind and solar increases the demand for flexible, dispatchable generation. This creates a strategic opportunity for natural gas to serve as a complementary power generation source, maintaining grid stability and supporting a reliable electricity supply, particularly in systems transitioning toward more decentralised and variable generation. In anticipation of increased intermittency and system balancing needs, CVC DIF has proactively invested in battery storage solutions to support grid stability and reliability.

Products and services

Increased demand for EV charging facilities: The transition to a low-carbon economy will result in an accelerated uptake of electric vehicles, driving up demand for charging facilities. It is recognised that decarbonising transport will require significant investments in support infrastructure, particularly in hard-to-electrify segments such as heavy trucking and shipping, as well as EV charging networks and alternative fuels.

New market expansion for existing low-carbon products and services: As climate policies progress in more countries, the demand for low-carbon products and services will increase. Organisations with existing low-carbon offerings can gain a larger market share in existing markets[30] or expand into emerging or new geographic markets. Access to new markets can drive revenue growth and mitigate the risk of revenue loss in markets that experience shrinkage.

Diversification of business activities: As climate policies evolve in various countries and awareness of climate change intensifies, demand for new low-carbon products and services is expected to increase. Organisations that develop low-carbon products and services can capitalise on this growing market, drive revenue growth, and reduce the risk of revenue loss from emissions-intensive products.

Diversification through emission-lowering technologies, including carbon capture for gas-fired generation: As policy and market support for low-emission electricity grows, there is a strategic opportunity to invest in carbon capture utilisation and storage (CCUS) to reduce the emissions intensity of gas-fired power. This approach enables generators to maintain gas capacity for system reliability while aligning with decarbonization targets and positioning themselves within Net Zero frameworks. CVC DIF regularly assesses the economic and technical viability of CCUS for its portfolio and specific investments.

30. A great example is included in our previous Sustainability Report, containing a case study about Fjord1

6.3.1 Climate transition - Opportunities (continued)

Markets

Reduced energy prices: As the transition to a low-carbon economy progresses, renewable energy sources will become increasingly cost-effective and more prevalent in the energy mix, driving prices down.

Increased access to favourable financing conditions: With the rise in sustainable investment and green project funding, organisations with better emission reduction performance can access more favourable financing conditions (e.g., lower interest rates and longer repayment terms). This can lower their cost of capital and enhance long-term profitability and resilience.

Providing protection against energy price changes: While energy price fluctuations and carbon levies may reduce cost-saving incentives in low-price periods, energy efficiency remains a hedge against changes in energy price, supporting stable operating costs. CVC DIF's strategy considers energy efficiency as a structural hedge against volatile energy costs, supporting long-term operating stability.

Opportunity from increased road usage for freight purposes: As logistics companies decarbonise, shifting from air to road and rail transport will likely increase freight traffic on highways. This trend presents a clear opportunity for the road sector, particularly toll road operators, to benefit from higher utilisation and revenue growth. However, it may also lead to increased wear and tear on infrastructure, resulting in higher maintenance costs and capital expenditure requirements for road investors.

Resilience

Shift towards a decentralised energy generation: For organisations in regions vulnerable to brownouts or blackouts, achieving energy independence through renewable energy sources can reduce the risk of downtime. This ensures high utilisation rates and stable productivity levels, which in turn lower operational costs and stabilise revenue. CVC DIF supports decentralised, renewable-based energy generation by investing in distributed storage and grid infrastructure, reducing reliance on centralised systems and improving resilience against outages.

Policy alignment in utilities investment: CVC DIF prioritises jurisdictions with stable regulatory regimes and supportive decarbonisation policies to enhance the resilience of long-term infrastructure assets.

Transport decarbonisation support infrastructure: In the transport sector, CVC DIF invests in critical support infrastructure such as alternative fuels and electrified logistics solutions, enabling decarbonisation in emissions-intensive modes (such as freight and shipping).

Low-carbon biofuels: Recognising the growing demand for biofuels, CVC DIF is monitoring developments in this area as part of its broader strategy to capitalise on long-term energy transition trends requiring significant investment post-2030.

6.3.2 Physical climate change

The updated scenario analysis has enabled us to confirm our understanding of the key risks and opportunities associated with physical climate hazards for the portfolio. Risks are primarily associated with extreme heat and flooding, with heatwaves projected to cause considerable change in risk, particularly to investments with high exposure in regions facing intensifying climate trends. In addition to heatwaves, flooding presents a significant risk to our investments, with projections indicating increasing disruption to operations and services in sectors with investments in flood-prone areas. Material physical risks also include wildfires and extreme winds, which can cause significant asset damage, leading to changes in investment valuation, operational disruptions, and reduced investment returns.

While the risks from physical climate change are more pronounced, opportunities may arise in response to changing climate conditions. Extreme temperature events, such as heatwaves and cold spells, could drive shifts in demand, particularly for cooling and heating services. However, the overall scale of these opportunities is expected to be low to moderate, with moderate increases in demand projected in areas related to energy production.

The risks and opportunities associated with a high emissions scenario that are expected to have at least a moderate change in risk to our business are outlined below by hazard and according to the TCFD's climate transition risk and opportunity categories (acute and chronic).

6.3.2 Physical climate change - Risks

Acute Risks

Flooding: Increasing global temperatures are driving extreme rainfall, sea level rise, and more frequent storm surges, presenting a growing risk of flooding to investments or supply chains situated in flood-prone regions. Flooding can cause direct damage to infrastructure and electricity transmission systems while also disrupting supply chains and broader operational networks. These impacts may result in higher repair and adaptation costs, operational delays, and reduced resilience of assets within our portfolio.

Storms and cyclones: Increasing global temperatures are driving more frequent and intense storms and cyclones. This trend presents a growing risk to our portfolio, with the potential for infrastructure damage, electricity transmission failures, supply chain disruptions, and operational downtime. These impacts may result in increased maintenance and insurance costs, lower asset reliability, and reduced financial performance across affected investments.

Wildfires: Warmer, drier conditions are projected to increase in the future, raising the number of days susceptible to wildfires. This trend may increase the risk to our portfolio, as wildfires can cause significant damage to infrastructure, disrupt supply chains, and pose challenges to business continuity. These impacts may lead to increased recovery and insurance costs, operational delays, and reduced asset value across exposed investments.

Management of Acute Risks

Climate resilience is considered during the pre-investment process, and any acute physical climate risks flagged are analysed during due diligence assessments of prospective investments.

Flooding: Sites are typically not built in areas considered to be at high risk of flooding. If a site is constructed in such a location, the risk is carefully considered during the design and construction process. For example, assets in flood-prone regions have implemented several measures, including the elevation of equipment, the creation of wetlands, and the improvement and maintenance of drainage systems.

Storms and cyclones: Assets within storm and cyclone prone regions are typically built to withstand strong winds and are well insured. In addition, the risk of extreme wind can be managed and monitored at the site level through initiatives such as automated wind stow systems and post-storm turbine inspections.

Wildfires: Wildfire risks are considered by investments at the asset level. For example, an asset facing projected increases in exposure to wildfires has deployed mitigation measures, including vegetation control to reduce wildfire ignition and propagation risk.

6.3.2 Physical climate change - Risks (continued)

Chronic Risks

Heatwaves: As the climate warms, heatwaves become more frequent, intense, and prolonged. This trend poses a growing risk to our investments. Higher temperatures may reduce the efficiency of electrical components, accelerate the degradation of infrastructure materials, and increase the likelihood of overheating and damage to on-site infrastructure equipment. These impacts could lead to increased operational costs, reduced asset lifespans, and interruptions to service delivery across our portfolio.

Water stress and drought: Climate change is affecting both the supply and demand of water, reducing availability for our investments. This presents a growing risk, particularly for water-intensive operations that rely on water for cooling and other critical processes. Increased water stress may lead to higher operational costs, reduced efficiency, and potential production constraints across affected assets in our portfolio.

Management of Chronic Risks

Climate resilience is considered during the pre-investment process, and any chronic physical climate risks flagged are analysed during due diligence assessments of prospective investments.

Heatwaves: Heatwaves may present material investment risks by altering service demand patterns, constraining operational capacity, or increasing capital expenditure requirements. These risks are typically mitigated at the asset level and factored in during pre-investment assessments, e.g., by modelling an average temperature increase in the base case .

Water stress and drought: If water stress is found to be material to the investment, additional management measures will be identified and implemented. For example, water utilities may implement groundwater monitoring and modelling.

6.3.2 Physical climate change - Opportunities

Acute

Cold events: As global temperatures rise, cold events are projected to decrease in both frequency and intensity. This may reduce demand for certain services, such as heating, and lower weather-related disruptions typically associated with extreme cold. These changes may lead to reduced revenues in sectors reliant on cold-weather demand, while also creating opportunities to improve operational efficiency and reduce costs in regions previously impacted by harsh winter conditions.

Chronic

Heatwaves: Heatwaves can also influence the opportunities facing our portfolio. Rising temperatures may drive increased demand for certain services, such as electricity generation for cooling, while reducing demand for others, such as heating. These shifts in consumption patterns may create new opportunities for growth in some sectors, while requiring adaptation and strategic repositioning in others.

6.3.3 Summary view of climate risk and opportunity materiality

In 2024, we conducted a CSRD-aligned Double Materiality Assessment, which covered a broad range of sustainability topics, including climate. As part of this process, both physical and transition climate risks were assessed. We concluded that, if left unmanaged, climate change could pose material financial risks to CVC DIF as a manager, hence CVC DIF's approach to actively managing this topic across the portfolio.

However, climate risk is actively integrated into our investment strategy, pre-investment processes, and portfolio management. As outlined in this report, we apply mitigation measures across the portfolio. Based on this, we have determined that—at a mitigated level—climate risks do not constitute a material financial risk at the CVC DIF manager level. In line with TCFD guidance, we therefore do not currently conduct financial quantification of climate impacts at the manager level. Where climate risk is material at the investment level, a tailored approach is applied. Active management of climate-related risks and opportunities is a continuous process throughout the investment lifecycle.

07 Disclaimer

In this report (the “Report”), references made to “CVC DIF”, “us”, “we” or similar terms, are to DIF Management B.V. (“DIF”). Where reference is made that “we invest”, this should be read as that we made one of our managed funds invest (each a “Fund” and together the “Funds”).
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There can be no assurance that the list of material sustainability topics reflected in CVC DIF’s materiality assessment is exhaustive, and additional topics may be identified as material to an investment on an investment-by-investment basis. In this report, we are not using such terms as ‘material’ or ‘materiality’ as they are used under the securities or other laws of the U.S. or any other jurisdiction, or as they are used in the context of financial statements and financial reporting. Materiality, for purposes of this report should not, therefore, be read as equating to any use of the word in other CVC DIF reporting or statements.
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This document contains forward-looking statements which are based on CVC DIF’s current beliefs and expectations and are subject to substantial risks and uncertainties. Forward-looking statements speak only as of the date on which they are made, and CVC DIF assumes no obligation to update or revise any forward-looking statements or other information contained herein, whether as a result of new information, future events or otherwise. Certain information contained herein relating to sustainability goals, targets, intentions, or expectations, including with respect to SBTi targets and related timelines, is subject to change, and no assurance can be given that such goals, targets, intentions, or expectations will be met. Further, statistics and metrics relating to sustainability matters may be estimates and subject to assumptions or developing standards (including CVC DIF’s internal standards and policies).
Case studies presented herein have been selected in order to provide illustrative examples of CVC DIF’s application of its sustainability programme. Descriptions of any sustainability achievements or improved practices or outcomes are not necessarily intended to indicate that CVC DIF has substantially contributed to such achievements, practices or outcomes or such that outcomes are similar for other investments managed across relevant strategies. For instance, CVC DIF’s sustainability efforts may have been one of many factors—including such other factors as engagement by portfolio company management, advisors and other third parties—contributing to the success described in each of the selected case studies. References to these particular portfolio companies or investments should not be considered a recommendation of any particular security, investment or portfolio company, or be used as an indication of the current or future performance of CVC DIF’s investments.
Further, the receipt of any awards, grades or scores by the Company or the portfolio companies described herein is no assurance that CVC DIF’s investment objectives have been achieved or successful. Further, such awards, grades or scores are not, and should not be deemed to be, a recommendation or evaluation of CVC DIF’s investment management business or experience. Such awards, grades or scores are not reliable indicators of current and / or future results of performance of underlying assets or products. Any awards have inherent limitations and qualifications, such as limited sample size, imperfect access to information, and other considerations.
Certain information contained herein relating to any ESG, sustainability or responsible investment initiatives or other similar industry frameworks is subject to change, and no assurance can be given that CVC DIF will remain signatory, supporter or member of such initiatives or other similar industry frameworks.
In gathering and reporting upon the sustainability information contained herein, CVC DIF may depend on data, analysis or recommendations provided by investments. More broadly, certain information contained herein has been obtained from third parties, and in certain cases have not been updated through the date hereof or may not be the most recently available. CVC DIF makes no representation or warranty, express or implied, with respect to the accuracy, fairness, reasonableness or completeness of any of the information contained herein, and expressly disclaims any responsibility or liability therefore. None of the figures included in this document were audited, assured or independently verified by auditors or third-party assurance providers, unless explicitly stated otherwise.
The information presented in this report is based primarily on data from the 2024 calendar year. In instances where a specific point in time was required—such as for employee FTE figures—data as of the fourth quarter of 2024 (24Q4) has been used. For disclosures relating to our policies and procedures, certain updates from 2025 may have been incorporated due to the ongoing nature of the associated survey.

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